

**6-Person Jury**

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**IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS  
COUNTY DEPARTMENT, LAW DIVISION**

AMY WEXLER and KENNETH A. WEXLER, )

12033524

Plaintiffs, )

Case No.

v. )

CHUBB NATIONAL INSURANCE )

**COMPLAINT**

COMPANY, an Indiana corporation, BELFOR )

Jury Demand

USA GROUP INC., a Colorado corporation, )

and AON PRIVATE RISK MANAGEMENT )

INSURANCE AGENCY, INC. )

Defendants. )

**INTRODUCTION**

Plaintiffs, by their attorneys, bring this action against the Chubb National Insurance Company ("Chubb"), Belfor USA Group Inc. ("Belfor") and defendant AON Private Risk Management Insurance Agency, Inc. ("AON") for breach of contract, breach of fiduciary duty, aiding and abetting, negligence, tortious interference with contract, and violation of Section 155 of the Illinois Insurance Code. Plaintiffs allege as follows upon personal knowledge as to themselves, their own acts and experiences and, as to all other matters, upon information and belief, including investigation conducted by their attorneys.

**PARTIES**

1. Plaintiffs Amy Wexler and Kenneth A. Wexler are natural persons and residents of Cook County, Illinois. They are referred to collectively herein as "Plaintiffs" or the "Wexlers."
2. Defendant Chubb is an insurance company that is incorporated in Indiana.
3. Defendant Belfor is a privately-owned subsidiary of BELFOR Holdings Inc. and

operates under the brand name of BELFOR Property Restoration.

4. Defendant AON is an insurance brokerage incorporated in Illinois

5. Chubb, Belfor and AON are referred to collectively herein as "Defendants."

### **JURISDICTION AND VENUE**

6. This Court has jurisdiction over Chubb pursuant to 735 ILCS § 5/2-209 because, *inter alia*, Chubb transacts business, committed the acts alleged, and contracted to insure a property located in Cook County, Illinois. Chubb is registered with the Illinois Department of insurance and regularly does business in Cook County, Illinois.

7. This Court has jurisdiction over Belfor pursuant to 735 ILCS § 5/2-209 because, *inter alia*, the transactions and occurrences which are subject matter of this action occurred in Cook County, Illinois

8. This Court has jurisdiction over AON pursuant to 735 ILCS § 5/2-209 because, *inter alia*, AON transacts business, committed the acts alleged, and contracted to insure property at the time of contracting located in Cook County, Illinois. AON is registered with the Illinois Department of insurance and regularly does business in Cook County, Illinois.

9. Venue is proper in Cook County because Defendants conduct business in this state, conduct business in Cook County, and committed the acts alleged herein in and related to a property located in Cook County, Illinois.

### **FACTS**

10. At all times material to this complaint, Plaintiffs were the owners of a home located at 468 Lakeside Terrace, Glencoe, Illinois (hereinafter referred to the "Property" or the "Home").

11. Plaintiffs are "consumers" as that term is defined in the Illinois Consumer Fraud and Deceptive Business Practices Act, sections 505/1-505/12

FILED DATE: 1/29/2021 4:34 PM 2021L001093

12. Chubb insures Plaintiffs' Home, their automobiles, and provides excess liability insurance in exchange for many thousands of dollars in insurance premiums paid by Plaintiffs to Chubb.

13. Chubb issued its "Masterpiece" policy insuring the Property under policy number 11468976-09, with an effective date of September 1, 2018, to September 1, 2019 (hereinafter referred to as the "Policy"). (A certified copy of the Policy is attached hereto as Exhibit 1).

14. The Policy requires Chubb to provide Plaintiffs with "coverage against all risk of physical loss to [their Home and personal property] unless stated otherwise or an exclusion applies." *See*, Exhibit 1 at page B-1, Illinois Deluxe House Coverage.

15. In marketing materials, Chubb assured prospective purchasers that under its "Masterpiece" policy that they will "see the Chubb advantage the first time you file a claim," and that "Chubb claims professionals are at your service," and "you get empathy along with speed. Chubb adjusters are known as much for their caring as their timeliness and expertise." Plaintiffs relied on these assurances when they made the decision to contract with Chubb for insurance including property damage coverage for the Property.

16. Plaintiffs are not in the insurance business and, until the events described herein, had never made an insurance claim for any type of extensive damage to their Home. Plaintiffs have no expertise in water damage, construction, water and mold remediation, or the steps involved with adjusting a property damage claim.

17. On or about January 29 through January 31, 2019, the Chicago metro area experienced a period during which air temperatures in its north shore suburbs<sup>1</sup> dropped over a 36

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<sup>1</sup> Climate data as reported for Evanston, Illinois at <https://www.timeanddate.com/weather/usa/evanston/historic?month=2&year=2019>

FILED DATE: 1/29/2021 4:34 PM 2021L001093

hours from a high of 32 degrees to -20 degrees Fahrenheit. Over the 24 hour period from midnight on January 30 to early morning January 31, the air temperature never rose above -11 degrees.

18. On February 1, 2019, water service pipes at the Property burst causing water damage to the Property. Plaintiffs filed a claim with Chubb, which assigned it claim No. 047519003926. In response to Plaintiffs' timely notice of the claim, a Chubb claim representative sent an email to Plaintiffs, asking the Plaintiffs to "[t]hink of me as your personal tour guide through the remainder of the claim process."

19. When the damage was discovered, Plaintiff Amy Wexler was at home while Plaintiff Ken Wexler was away on business. Mrs. Wexler discovered damage when she found standing water in the living room of the home. She could not identify the source of any leak, so she called a plumbing emergency service, who arrived that same day.

20. The steps Plaintiffs took in making the claim involved first notifying defendant AON, Plaintiff's insurance broker, who then contacted Chubb. Once AON had notified Chubb of the loss, the AON representative contacted plaintiff Ken Wexler and informed him that a claim had been made with Chubb.

21. Plaintiff Amy Wexler contacted a local construction firm that she understood from the plumber to be well regarded with water remediation, however, this firm could not come to Plaintiffs' Home until the following Monday.

22. Amy Wexler promptly informed AON that she had contracted a remediation firm, but that the firm could not arrive until Monday.

23. AON advised Amy Wexler that Chubb "would be happier if the Wexlers used someone on Chubb's preferred vendor list," and stated that AON would arrange it.

24. Shortly thereafter, Amy Wexler received a call from a representative of Belfor, who



offered to have someone come to the Property the next day (Saturday, February 2, 2019) to assess the damage and recommend a course of action.

25. Belfor had been referred by AON as a preferred contractor of Chubb.

26. Belfor sent a representative to the Home on Saturday, February 2, 2019. During his visit, the Belfor representative informed Plaintiffs that:

- a) The home, as a result of the pipes bursting, had extensive water damage;
- b) The areas of the home that needed to be demolished in order to dry it out properly;
- c) That it would be important to dry the house quickly because "mold starts forming in 24-48 hours."

27. Plaintiffs relied at this time (and at all times thereafter until Belfor was terminated by Chubb in April), on the professional experience of AON, Chubb and Belfor, regarding handling similar claims, the reasonable and customary steps to take to protect the Property from further damage including damage from mold formation and/or mold spreading (collectively "Mold Damage") while Chubb adjusted the loss and directed the contractor on the scope of repairs.

28. Although Belfor was referred by AON as a preferred contractor of Chubb, neither Chubb nor Belfor took any steps to dry out the house before mold spread throughout the home less than a week later, with such failure resulting in substantial Mold Damage to the Property.

29. Chubb, Belfor and AON all had superior knowledge of the techniques commonly used immediately after a home suffers water damage to reduce or eliminate the potential for subsequent Mold Damage to occur, neither Chubb nor Belfor recommended or sent any equipment or personnel to take steps to immediately dry out the Home, nor did Chubb or Belfor make any effort to dry out the Home between Saturday, February 2 and Wednesday, February 6. During this

FILED DATE: 1/29/2021 4:34 PM 2021L001093

time period, Mold Damage began to occur in the Home.

30. At all relevant times, it has been common practice among professionals familiar with such water damage occurrences to immediately run industrial dehumidifiers (and similar drying equipment) and to immediately turn off any HVAC system that uses forced air as a technique to inhibit the growth and spread of mold.

31. At no relevant time did AON make such a recommendation to Plaintiffs.

32. At no relevant time did Belfor make such a recommendation to Plaintiffs.

33. At no relevant time did Chubb make such a recommendation to Plaintiffs.

34. On February 6, 2019, Belfor's representative told the Wexlers that Chubb had approved the demolition and removal of some of the wet walls, ceilings and floors, but that Chubb refused to approve the scope of Belfor's February 2 recommended mitigation plan to demolish and remove the majority of the wet walls, ceiling and flooring. Rather, Chubb had instructed Belfor to leave many wet areas as-is. Thus, Chubb directed Belfor's work in a manner contrary to industry standards and the recommendations of Belfor.

35. Stated otherwise, Chubb directed Belfor to conduct a much more limited demolition than the Belfor representative had initially recommended to Chubb.

36. For example, although the Belfor representative noted that water had gone down behind certain walls, including in the kitchen behind Plaintiffs' appliances, Chubb would not permit Belfor to take out those walls completely and instead, presumably in an effort to limit expense, only permitted Belfor to remove a portion of the walls.

37. While the Belfor representative was at the Home on February 6, Plaintiffs expressed concern that Belfor now was going to do less work than it had recommended the prior Saturday.

38. Plaintiffs further explained to Belfor at this time that members of their family had

FILED DATE: 1/29/2021 4:34 PM 2021L001093

health problems that would be adversely affected by the presence of mold.

39. In response to Plaintiffs' expressed concern, Belfor's representative made a phone call and was told (either by Chubb or Belfor or both) that Belfor should stop work pending a hygienist's testing of the air quality in the Home.

40. At Chubb's direction, an air quality expert from Environmental Group Services Limited ("EGSL") came to the Home to test the air for mold on Thursday, February 7, 2019.

41. Continuing to rely upon the expertise of Chubb and Belfor, Plaintiffs waited for Chubb and/or Belfor to recommend the best course to return the Home to its condition prior to the water pipes bursting.

42. The EGSL Report reflected that testing had only occurred in three rooms (not the whole house) and "indicated that all of the samples collected from the affected areas of the first and second floors exceeded" standard levels. Moreover, "the samples collected from the first-floor office in the second-floor bedroom contained mold species associated with water-damaged building materials (*Stachybotrys* sp., and/or *Chaetomium* sp.)." Pages 4-6 of the EGSL Report contained specific steps for remediating the problem. The EGSL Report is attached as Exhibit 2.

43. On or about February 11, 2019, after previously limited the scope of demolition, and failing to instruct Belfor to install drying or dehumidifying equipment, Chubb instructed Plaintiffs that they should leave the Home because it was too dangerous for them to continue to live there.

44. Plaintiffs and their family vacated the premises on February 11, 2019 and moved temporarily to a nearby hotel.

45. Plaintiffs' policy includes a rider [for which Plaintiffs paid extra] that promises that Plaintiffs were entitled to obtain temporary housing that was commensurate with Plaintiffs' "usual

standard of living.”

46. Despite this policy provision, and despite Plaintiffs’ repeated requests for temporary housing, Chubb continued to require Plaintiffs to live in the hotel for over four months.

47. After the Plaintiffs left the Home and began living in temporary housing, Plaintiffs continued to entrust Chubb and Belfor with the remediation of the Property. As of February 12, Chubb and Belfor essentially had complete care and control of the Property.

48. Plaintiffs later came to learn that Chubb continued to engage in a pattern and practice of obstructing the remediation of the Property, directing Belfor to limit the cost of doing so to Chubb.

49. By the time Chubb and Belfor began drying out the Property, Mold Damage had already spread throughout the Property.

50. In May 2019, Chubb purported to take steps to correct the errors it made in adjusting the loss that increased damage to the Home by assigning a new adjuster to the Claim. Upon walking through Plaintiffs’ Property and hearing and observing what had occurred to date, the adjuster said, “What a shit show,” and with regard to Chubb’s role, “We own this.”

51. Having recognized that Plaintiff had not received alternative housing consistent with the terms of the Chubb masterpiece policy, the replacement Chubb adjuster authorized Plaintiffs to obtain housing commensurate with the terms of the Policy and began directing the process of packing up the contents remaining in Plaintiffs’ Home so that they could try to salvage what remained of their belongings despite mold infestation. Chubb then exercised further authority over Belfor and terminated the contract between the Wexlers and Belfor and then retained Paul Davis, a different restoration company who the adjuster identified as a Chubb preferred vendor, to conduct a significantly more thorough demolition than had been conducted until then

FILED DATE: 1/29/2021 4:34 PM 2021L001093

with the aim of remediating the Home. This more thorough demolition occurred after Chubb had rejected Belfor's recommendation on a thorough demolition, and after mold had infested the Home.

52. At Chubb's direction, the personal property of Plaintiffs that Belfor had taken to its property was retrieved and inventoried; Plaintiffs' clothes were sent to a cleaning facility in Springfield, Illinois; Plaintiffs' artwork was sent to the Chicago Conservation Center to be inventoried and cleaned; and the remainder of Plaintiffs' personal possessions were inventoried and sent to the Paul Davis warehouse in Hampshire, Illinois.

53. Plaintiffs relied upon Chubb and Belfor to conduct an accurate and complete inventory of Plaintiffs' personal property before Belfor took Plaintiffs' personal property to its warehouse. However, Belfor failed to do so.

54. Plaintiffs also relied upon Belfor to protect their personal property while it was stored in Belfor's warehouse. However, many items of Plaintiffs' personal property were determined to be missing or damaged when retrieved from the Belfor warehouse.

55. By email dated May 21, 2019, Chubb confirmed that Belfor had not inventoried the Plaintiffs' personal property, recognized that items were missing, broken, and damaged, and stated that "Chubb will pay for these items and then seek reimbursement from Belfor afterwards."

56. Chubb hired another vendor ("Enservio") to value Plaintiffs' contents on Chubb's behalf.

57. The reports made by Enservio do not present any clear record of Plaintiffs Property, nor does it accurately identify scope of damage, cause of damage, basis for valuation, comprehensive comparables, or mechanisms for using the report for identifying items missing from Plaintiff's Home. In addition, the representative of Enservio told Plaintiffs repeatedly that he

did not know what he was doing with respect to many of the items and that his purpose was to arrive at low valuations for Chubb's benefit.

58. To fully understand the scope of repairs needed for Plaintiffs to safely return Home, Plaintiffs obtained input from an architect, a structural engineer, and contractor. On April 10, 2020, Plaintiffs sent these analyses to Chubb. In essence, they recommend that the Home be demolished and replaced in its entirety as a result of the scope of damage, cost of repair, and extent of infestation.

59. In response, Chubb retained DBI, Inc. ("DBI"), which sent two "contractors" to the Property on June 10, 2020, and three again on August 20, 2020. Chubb also retained a mold expert, whose report is attached as Exhibit 3. DBI issued its report on August 23, 2020, suggesting the Home could be repaired in 133 days at about 22% of the cost of Plaintiffs' estimates. Based on its methodology and contradictions with Chubb's own mold expert, Plaintiffs believe that DBI was hired by Chubb to give a low estimate to support Chubb's economic interest in paying for less than the full work scope required to remediate the Home.

60. Further, despite causing the mold problem by its own conduct in improperly adjusting and wrongfully limited and directing the work of Belfor on this covered water damage claim, Chubb is refusing to pay for anything additional pertaining to mold remediation, citing a \$10,000 sublimit in the Policy.

**COUNT I**  
**(Breach of Contract Against Chubb)**

61. Plaintiffs repeat and re-allege each allegation contained in the preceding paragraphs as if set forth fully herein.

62. Pursuant to the terms of the Policy, Chubb agreed to insure the Plaintiffs against all risk of physical loss to their Property unless otherwise stated or excluded.

63. While the Policy was in effect, the Property suffered direct physical loss or damage caused by or resulting from a covered cause of loss as stated in the Policy. The Policy does not contain an exclusion that eliminates coverage for water damage caused by broken pipes inside the Home.

64. Plaintiffs timely submitted a claim to Chubb under the Policy for the loss and damage to their Home and its contents.

65. Chubb agreed that the claim for loss and damage to the Property was covered under the Policy but has partially denied policy benefits claimed by Plaintiffs. (A copy of the most recent claim decision letter is attached as Exhibit 4).

66. Plaintiffs have complied with all applicable conditions required by the Policy.

67. It is Chubb's duty to pay Plaintiffs for all covered losses and damages sustained to the Property and the Plaintiffs' personal property.

68. Though requested to do so, to date Chubb has failed, refused and continues to fail and refuse to pay Plaintiffs for the full amount of covered loss and damage.

69. This breach of the insurance contract was and is the direct proximate cause of extensive monetary loss to Plaintiffs.

70. This is an action based on a "written instrument" within the meaning of the Illinois Interest Act and, therefore, Plaintiffs are entitled to prejudgment interest.

71. The damages suffered by Plaintiffs were foreseeable at the time Plaintiffs purchased the Policy.

**COUNT II**  
**(Section 155 Relief Against Chubb)**

72. Plaintiffs repeat and re-allege each allegation contained in the preceding paragraphs as if set forth fully herein.

73. As a basis for denying payment of policy benefits claimed under the Policy, Chubb knowingly misrepresented to the Plaintiffs relevant facts related to coverage under its Policy, such as:

- (a) Its claim that the Plaintiffs would be treated as Chubb would want to be treated in the claims process, that it would help protect Plaintiffs' property, and that Plaintiffs' lives were about to get easier through Chubb's claim process;
- (b) Its claim that its restrictions on the scope of mold remediation in the Home did not contribute to and exacerbate the mold issue to such an extent as to require the complete gutting and demolition of the Home;
- (c) Its claim that the extensive specifications, plans, drawings, and opinions of Plaintiffs' architect, structural engineer, and contractor were insufficient justification to reject a scope of repair recommended by Chubb's vendor that was purposely devised at Chubb's direction to limit Chubb's exposure;
- (d) Its claim that valuations of Plaintiffs' personal property were fair and accurate;
- (e) Its claim that Plaintiffs' personal property would be properly inventoried and safe;
- (f) Its claim that it was "committed to helping" Plaintiffs' Home and possessions through the recommendation and use of Chubb's "preferred vendors" when, in fact, those vendors chosen by Chubb specifically to ensure the amount Chubb paid to Plaintiffs was as little as possible;
- (g) Its claim that the Policy permitted Chubb to apply against what was owed to Plaintiffs payments Chubb made to vendors Chubb directed and controlled for the purpose of limiting Chubb's exposure under the Policy;
- (h) Its claim that the scope of repair estimate of its contractor is adequate, fair, and accurate; and



- (i) Its claim that all that is required under the Policy is for Plaintiffs to perform substandard repairs to their Home when the Policy requires replacement.

74. Chubb has engaged in vexatious and unreasonable delay in effectuating a fair or equitable claim settlement by relying on purposefully low estimates of the value of the damaged Property (real and personal) that were not based on legitimate analyses and improperly disregarded Plaintiffs' estimates that were prepared by highly qualified professionals. With respect to the Home, Chubb exacerbated the damage and failed to hire appropriate professionals to render valid opinions of the scope of repairs and their true cost.

75. Chubb has improperly favored its own economic interests to the detriment of Plaintiffs by deliberately disregarding language in the Policy requiring Chubb to pay Plaintiffs in the event of loss or damage covered by the Policy on the basis of "reconstruction cost" "using like design, and materials and workmanship of comparable kind and quality."

76. By denying payment owed in excess of the jurisdictional minimum for the Law Division of \$30,000 of covered benefits, Chubb compelled Plaintiff to initiate this lawsuit in this court to recover such amounts.

77. Chubb failed to timely and fully investigate Plaintiffs' loss and fairly settle Plaintiff's claim by:

- (a) Forcing Plaintiffs' Property to sit in a vacant, moldy, and unusable state for almost two years days while Chubb has strung out and refused payment of the claim;
- (b) Failing to issue a fair and equitable settlement after nearly two years since the water damage occurred; and
- (c) Relying on a sublimit in the Policy to limit coverage for mold growth that would not have existed had Chubb not improperly limited the scope of permissible remediation at the Home.

78. The attitude of Chubb in its investigation, as reflected in its final coverage decision, and its refusal to pay over \$3.5 million in covered damage was unreasonable and vexatious.

79. Chubb's obstruction, delayed investigation and adjustment of the claim, and unreasonable denial of covered replacement costs has deprived Plaintiffs of the use of their Property and continued deprivation of costs incurred in the reconstruction which should have been indemnified and reimbursed.

**COUNT III**  
**(Breach of Fiduciary Duty Against Chubb)**

80. Plaintiffs repeat and re-allege each allegation contained in the preceding paragraphs as if set forth fully herein.

81. At the time of the events described in this complaint, Plaintiffs had no experience with home insurance claims, water damage, mold, remediation or reconstruction. In contrast, Chubb deals with water and property damage and mold remediation daily, insuring against losses of this kind and overseeing repairs in dozens of countries and territories. Chubb touts the expertise of its adjusters when marketing its "Masterpiece" homeowner's policies.

82. Chubb was thus in a superior position over Plaintiffs in the areas of water damage and mold remediation, and Plaintiffs reposed trust and confidence in Chubb to ensure that the remediation of Plaintiffs' Home was done promptly, fully, safely, and correctly.

83. At all material times, Chubb knew that Belfor was responsible for remediating the water damage at Plaintiffs' house.

84. Chubb, in fact, directed Belfor's efforts, controlled the scope of Belfor's work, and approved or disapproved of the work as it was being performed. Chubb knew Belfor would not perform work at Plaintiffs' Home without Chubb's express approval.

85. At the time Belfor performed remediation services at Plaintiffs' Home, Chubb knew it was important to remediate water damage as quickly and as thoroughly as possible,

including take immediate steps to dig out the Property or risk the formation and proliferation of mold.

86. Chubb knew that the water damage at Plaintiffs' Home occurred on February 1, 2019, but that Belfor did not start remediation work until February 6, 2019. In the interim, Belfor suggested what it thought was the remediation plan necessary given the damage that had occurred, but Chubb would not approve the work Belfor recommended. Rather, Chubb directed Belfor to perform work at a much-restricted scope.

87. The EGSL Report dated February 8, 2019, revealed that mold had developed due to "water damaged building materials" and it recommended a plan to remediate the mold. Chubb knew that following the EGSL guidelines was the minimum Belfor should do to ensure remediation of the mold growth in the Home and that EGSL had warned that its recommendations were neither intended to be, nor in fact were, exhaustive. Nevertheless, Chubb directed Belfor not to follow the remediation plan, but to perform less demolition and removal of water damaged property than EGSL recommended.

88. Chubb breached its fiduciary duty to Plaintiffs and violated the trust Plaintiffs reposed in Chubb by not only ratifying Belfor's work, but also directing and controlling the scope of that work, which caused the Home to develop mold and then allowed that mold to continue to spread until it was so extensive that it destroyed the Home and much of its contents.

89. Chubb further breached its fiduciary duty to Plaintiffs by failing to adequately supervise Belfor. Chubb permitted Belfor to handle and, in some instances, take for storage the contents of Plaintiffs' Home without inventorying it or handling it with care, resulting in damage, disappearance, and/or total loss of the contents.

90. As a result of the breaches of fiduciary alleged against Chubb, Plaintiffs suffered

the loss of their Home and its contents.

91. Chubb's conduct was in willful and wanton disregard of the Plaintiffs' rights.

**COUNT IV**  
**(Violation of the Illinois Consumer Fraud and Deceptive Business Practices Act Against Chubb)**

92. Plaintiffs repeat and re-allege each allegation contained in the preceding paragraphs as if set forth fully herein.

93. The Illinois Consumer Fraud and Deceptive Business Practices Act (the "Act") is a regulatory and remedial act intended to protect consumers like Plaintiffs from unfair and deceptive business practices. It embodies the public policy of Illinois to eliminate to the greatest extent possible such business practices and provide appropriate relief to consumers. The Act is to be construed liberally to effect its purposes.

94. Chubb has engaged in unfair business practices in violation of the Act. Its course of conduct in adjusting Plaintiffs' claim by hiring vendors with the purpose of paying Plaintiffs as little as possible, all while charging the cost of those vendors against plaintiffs' Policy is immoral, unethical, and unscrupulous, and it has caused substantial injury to Plaintiffs.

**COUNT V**  
**(Aiding and Abetting Breach of Fiduciary Duty Against Belfor)**

95. Plaintiffs repeat and re-allege each allegation contained in the preceding paragraphs as if set forth fully herein.

96. Belfor knew that Chubb had fiduciary duties to Plaintiffs and knowingly participated in the breach of those duties, rendering substantial assistance and causing harm to Plaintiffs as a result.

97. As the vendor acting on behalf of Chubb, Belfor knew that Plaintiffs were looking

to Chubb to guide the effort to make them whole for the water damage and subsequent proliferation of mold throughout their Home caused by Chubb's conduct. Plaintiffs looked to Belfor, as Chubb's vendor, to remediate their Home fully and completely, as Plaintiffs were relying on Chubb to ensure their Home was safe and inhabitable.

98. Belfor recommended a remediation plan to Chubb that it believed to be necessary to prevent mold growth Chubb knew resulted from the water damage to the Home's floors, walls, and appliances if left untreated.

99. When Belfor sought approval of that plan from Chubb, Chubb restricted the scope of the plan, directing Belfor to demolish less of the damaged Home than Belfor knew was appropriate. Belfor complied with Chubb's direction, knowing it was wrong, but aiding Chubb in its desire to keep its expenses down.

100. The EGSL Report also set forth a remediation plan to be performed by Belfor. Because Chubb did not want to pay for the full cost of the remediation plan, Chubb told Belfor to restrict the scope of its work and Belfor acquiesced.

101. Belfor was regularly aware of its role as part of Chubb's tortious activity at the time that activity was conducted, and it knew that, by restricting the scope of the appropriate remediation plan, it was substantially assisting the principal violations.

102. Belfor's assistance was a proximate cause of Chubb's breaches. Without Belfor's assistance, Chubb could not have directed a remediation plan that was contrary to the scope of EGSL's recommendations, and thus the threat of mold damage to Plaintiffs' Home and belongings would have been minimized.

103. As a result of Belfor's aiding and abetting Chubb's breaches, the Home and its contents were ruined.

104. Belfor's conduct was in willful and wanton disregard of the Plaintiffs' rights.

**COUNT VI**  
**(Negligence Against Chubb)**

105. Plaintiffs repeat and re-allege each allegation contained in the preceding paragraphs as if set forth fully herein.

106. When Chubb elected to direct and control the remediation of water damage at the Property, Chubb undertook a duty to Plaintiffs to ensure that the remediation was performed properly and in accordance with applicable industry standards.

107. Chubb breached its duties to Plaintiffs in one or more of the following ways:

- a. Negligently failing to properly direct and control the remediation efforts, including failure to take efforts to dry out the Home;
- b. Negligently failing to ensure the completion of the remediation efforts in a timely manner;
- c. Negligently failing to recognize the potential for extensive mold growth and proliferation caused by Belfor's delay in commencing remediation efforts at the Home;
- d. Negligently failing to recognize the potential for extensive mold growth and proliferation caused by its refusal to permit Belfor to perform the scope of remediation work that Belfor recommended;
- e. Negligently failing to recognize the potential for extensive mold growth and proliferation caused by its refusal to permit Belfor to perform the scope of remediation work that EGSL recommended; and

- f. Negligently failing to retain and appropriately supervise qualified contractors to remove and clean Plaintiffs' personal property.

108. As a direct result of Chubb's negligence, Plaintiffs have incurred substantial costs and expenses. If Chubb is correct that the Policy's \$10,000 sublimit for certain mold-related expenses applies to any portion of Plaintiffs' claim, then Plaintiffs have incurred extensive uninsured losses that they would not have sustained but for Chubb's negligence in remediating covered water damage at Plaintiffs' Home.

**COUNT VII**  
**(Negligence Against Belfor)**

109. Plaintiffs repeat and re-allege each allegation contained in the preceding paragraphs as if set forth fully herein.

110. When Belfor agreed to remediate water damage at the Property, it undertook a duty to Plaintiffs to ensure that the remediation was performed properly and in accordance with applicable industry standards.

111. Belfor breached its duties to Plaintiffs in one or more of the following ways:

- a. Negligently failing to properly perform remediation efforts, including by taking immediate steps on February 2<sup>nd</sup> to commence drying out the Property;
- b. Negligently failing to perform remediation efforts in a timely manner;
- c. Negligently failing to inform Plaintiffs that following Chubb's instructions to limit the scope of the remediation would cause extensive mold growth;  
and
- d. Negligently failing to recognize the potential for extensive mold proliferation caused by its delay in commencing remediation efforts at the

Home.

112. As a direct result of Belfor's negligence, Plaintiffs' Home incurred extensive additional Mold Damage and Plaintiffs' suffered damages due to loss, damage or diminution of value to personal property that was in the care, custody or control of Belfor when Belfor committed its negligent acts, and Plaintiffs have also incurred substantial costs and expenses as a result.

**COUNT VIII**  
**(Negligence Against AON)**

113. Plaintiffs repeat and re-allege each allegation contained in the preceding paragraphs as if set forth fully herein.

114. On information and belief, AON had experience with water damage losses like the one suffered by Plaintiffs. The experience related both to the insurance coverage issues, as well as the common steps taken in the early stages after a loss to protect the a home (or business) from additional damage that often arises out of water damage claims such as the one that occurred at the Property.

115. By virtue of this experience, AON possessed specialized knowledge regarding the both the issues associated with water damage claims like the one submitted by Plaintiffs on Friday, February 1, 2019.

116. Promptly upon learning of the loss, AON undertook to advise Plaintiff about the steps to take to mitigate damage to the property and to begin the process of working with Chubb to bring the property back to its condition prior to the water damage.

117. In this context, AON recommended Belfor, stating to Plaintiffs' that Belfor was an AON preferred company for repairing such losses.

118. AON unilaterally reached out to Belfor and arranged for Belfor to call Plaintiffs



and make an appointment to go to Plaintiffs' property, assess the damage to that point, to make recommendations for interim steps to protect the property from further damage, and to begin the process of working with Chubb to repair the Property. AON remained in close contact with Plaintiffs during the early stages of the loss, offering advice throughout.

119. When Belfor did this, it undertook a duty to Plaintiffs to ensure that the advice it gave was in accordance with applicable industry standards.

120. AON breached its duties to Plaintiffs in one or more of the following ways:

- a. advising that it was in Plaintiffs' best interest to retain a Chubb approved contractor, and then negligently advising Plaintiffs that Belfor was a contractor on Chubb's approved vendor list for similar claims, and ;
- b. Negligently failing to inform Plaintiffs following Chubb's instructions to limit the scope of the remediation, that failure to take immediate steps to safely dry out the Property would likely cause extensive Mold Damage; and
- c. Negligently failing to advise Plaintiffs that, due to the nature of the loss and age of the Property, created the potential for Mold Damage if the home was not immediately and safely dried out.

121. As a direct result of AON's negligence, Plaintiffs' Home incurred extensive additional Mold Damage and Plaintiffs' suffered damages due to loss, damage or diminution of value to personal property that was in the care, custody or control of Belfor when Belfor committed its negligent acts, and Plaintiffs have incurred substantial costs and expenses as a result.

**COUNT IX**  
**Breach of Contract Against Belfor**

122. Plaintiffs repeat and re-allege each allegation contained in the preceding paragraphs as if set forth fully herein.

123. Impressed by Belfor's prompt response and knowledge demonstrated at the February 2 meeting, Amy Wexler signed a document presented by Belfor that day with understanding Belfor would, under Chubb's direction and control, perform the work necessary to protect the Property from further damage, and that Belfor would properly repair the damaged portions of the Property.

124. Specifically, Belfor also agreed to work directly with Chubb, who Belfor explained to Amy would pay at least a portion of (if not all of) Belfor's fees for the services performed for Plaintiffs.

125. Plaintiffs identified Belfor as its contractor to Chubb, and Chubb authorized Belfor in due course to commence the work necessary to effect repairs.

126. Chubb subsequently took the position that Exhibit 5 constitutes a contract between Plaintiffs and Belfor.

127. Every contract in Illinois has, as one of its terms, an implied duty of good faith and fair dealing. The duty of good faith is magnified where a party is given broad discretion in performing its obligations.

128. Under the contract asserted, Belfor was given broad discretion to perform the remediation services necessary to protect Plaintiffs' Home and personal property from water damage and mold.

129. In performing its obligations, Belfor breached the duty of good faith and fair dealing by failing to remediate plaintiffs' Home and property in a manner it knew would protect it

from mold, failed to execute the remediation plan outlined in the EGSL Report, mishandled and lost or caused to be stolen Plaintiffs' personal property, and otherwise took advantage of Plaintiffs in a way that could not have been contemplated by Plaintiffs at the time they authorized Belfor to work in their Home.

130. Although Belfor knew the importance of taking immediate action to commence drying out the Property, it took no action to dry out the property for several days, further damaging the property and breaching its contract to protect and repair the property.

131. Belfor's breach of the work authorization was and is the direct proximate cause of extensive monetary loss to Plaintiffs in an amount to be proven at trial.

132. Plaintiffs have been damaged by Belfor's breach of contract by virtue of Belfor's failure to take prompt action to prevent additional damage to the Property.

133. As a result of Belfor's breach of contract, Plaintiffs incurred additional damage due to mold infestation that Belfor took no steps to prevent, control or contain, some of which Mold Damage may either exceed the limits of insurance available to Plaintiffs or which may be proved by Chubb to fall under a coverage exclusion under the Policy.

134. Moreover, when Belfor took possession of Plaintiffs' personal property, Plaintiffs entrusted Belfor with the storage and safekeeping of their personal property.

135. Belfor accepted the Plaintiffs' personal property for safekeeping.

136. While in Belfor's possession, some of Plaintiffs' personal property was lost, stolen, or damaged.

137. As a proximate result of Belfor's conduct, Plaintiffs have been deprived of the use and possession of their personal property.

**COUNT X**  
**Tortious Interference With Contract Against Chubb**

138. Pleading in the alternative, although Plaintiffs assert that Chubb had a contract with Belfor to perform remediation services for Plaintiffs under Chubb's direction and control, Chubb has asserted that, by authorizing Belfor to perform work in the Home, Plaintiffs hired and, therefore, had a binding contract with Belfor.

139. If Chubb is correct that Plaintiffs had a valid and enforceable contract with Belfor to perform remediation services for Plaintiffs' Home and property, the facts herein demonstrate that Chubb knew of the contract and engaged in an intentional and unjustified inducement of a breach of the contract by Belfor. Belfor subsequently breached the contract due to Chubb's wrongful conduct, causing substantial monetary damages to Plaintiffs.

**WHEREFORE**, Plaintiffs respectfully request that this Court enter an Order:

- a. Awarding Plaintiffs their actual damages against Defendants jointly and severally;
- b. Declaring that Chubb's actions, as set forth above, were intentional and/or reckless;
- c. Awarding Plaintiffs punitive damages against Chubb where permitted by law;
- d. Awarding Plaintiffs their reasonable attorneys' fees and costs and other litigation expenses against Chubb pursuant to 815 ILCS 505/10a(c);
- e. Awarding Plaintiffs pre- and post-judgment interest, to the extent allowable; and
- f. Awarding such other and further relief as equity and justice may require.

HELLMUTH & JOHNSON, PLLC

Dated: January 29, 2021

By: /s/Joseph P. Beckman  
Joseph P. Beckman, IL#6199704  
J. Robert Keena, IL#6323169  
Attorneys for Plaintiffs  
8050 West 78<sup>th</sup> Street  
Edina, MN 55439  
Telephone: (952) 941-4005  
Emails: jbeckman@hjlawfirm.com  
jkeena@hjlawfirm.com

FILED DATE: 1/29/2021 4:34 PM 2021001093

Return Date: No return date scheduled  
Hearing Date: No hearing scheduled  
Courtroom Number: No hearing scheduled  
Location: No hearing scheduled

FILED  
1/29/2021 4:34 PM  
IRIS Y. MARTINEZ  
CIRCUIT CLERK  
COOK COUNTY, IL  
2021L001093

January 21, 2021

12033524

Attn: KENNETH WEXLER

Policy: 11468976-09

Insured: KENNETH A. & AMY WEXLER C/O NICOLE FONDRIE

Writing Company: CHUBB NATIONAL INSURANCE COMPANY

I certify that the above mentioned enclosed policy is a true and accurate copy.

Yours Truly,

A handwritten signature in black ink, appearing to read "Romeo Antonuccio", written in a cursive style.

Romeo Antonuccio

Personal Risk Services Operations

**Exhibit 1**

FILED DATE: 1/29/2021 4:34 PM 2021L001093

# Masterpiece®

## CHUBB®

**Name and address of Insured:**

KENNETH A. & AMY WEXLER  
C/O NICOLE FONDRIE  
55 WEST MONROE ST, STE 3300  
CHICAGO, IL 60603

**Policy no:** 11468976-09

**Effective date:** 9/1/18

**Issued by:** Chubb National Insurance Company  
a stock insurance company  
incorporated in Indiana

**Policy period:** 9/1/18 to 9/1/19

**If you have any questions, please contact:**  
AON PRIVATE RISK MANAGEMENT INSURANCE  
AGENCY, INC.  
13901 SUTTON PARK,S,C360  
JACKSONVILLE, FL 32224  
866.225.5266

Dear Valued Customer:

We sincerely appreciate your business. This mailing contains information about the renewal of your insurance policy with Chubb. For your convenience, we've highlighted key documents you should look at immediately.

**Review these documents for a detailed overview of your premium:**

- Premium Summary and Privacy Notice
- Premium Discount Summary

Please watch for additional documents that we mail separately, including your billing statement. You may want to keep the documents in this package for your records. To save paper, we only send policy documents that have changed from last year.

You can also visit our customer portal on [www.chubb.com](http://www.chubb.com) to view your policy online, pay your bill, or to learn about additional coverage options and services like ePolicy.

Chubb Personal Risk Services  
1.866.324.8222

**If you have a claim, please contact: 1.800.252.4670**

[www.chubb.com](http://www.chubb.com) email: [customercare@chubb.com](mailto:customercare@chubb.com)

Chubb is the marketing name used to refer to subsidiaries of Chubb Limited providing insurance and related services. For a list of these subsidiaries, please visit our website at [www.chubb.com](http://www.chubb.com). Insurance provided by U.S. based Chubb underwriting companies. All products may not be available in all states. Coverage is subject to the language of the policies as actually issued. Surplus lines insurance sold only through licensed surplus lines producers. Chubb Personal Risk Services, P.O. Box 1800, Whitehouse Station, NJ 08889-1800.

**Exhibit 1**

**Masterpiece®****Premium Summary  
Renewal****CHUBB®**

KENNETH A. & AMY WEXLER  
C/O NICOLE FONDRIE  
55 WEST MONROE ST, STE 3300  
CHICAGO, IL 60603

Page 1  
Effective Date 9/1/18  
Policy no. 11468976-09  
Policy period 9/1/18 to 9/1/19  
Producer name AON PRIVATE RISK MANAGEMENT  
INSURANCE AGENCY, INC.

We are pleased to enclose your Chubb Masterpiece Policy, which includes an annual premium savings of \$1,545 as listed below.

This chart shows at a glance what coverages you have and the related premiums.

	Property covered	Coverage	Premium
Homes and Contents	HOUSE AT 488 LAKESIDE TERRACE GLENCOE, IL	HOME, CONTENTS, LIABILITY	\$ 4,246.00
	HOUSE AT 89790 BARK POINT RD HERBSTER, WI	LIABILITY	\$ 42.00
Valuable Articles	JEWELRY, FINE ARTS, SILVERWARE	VALUABLE ARTICLES	\$ 2,136.00
<b>Total Premium</b>			<b>\$ 6,424.00</b>

Your policy includes a Coverage Summary and policy provisions that explain your coverage in more detail.

**Chubb Masterpiece provides many different credits for home, valuable articles, automobile and excess liability coverages. We recommend that you contact your agent or broker for an annual review to ensure that your coverages, policy limits and available credits are accurate and meet your personal insurance needs.**

**Your policy provides the following annual premium credits for the coverages listed below:**

Your homeowners premium was reduced by \$1,545 as a result of one or more credits.

**You should receive a statement and bill from your agent.**

If you chose one of our convenient installment plans, your payments will be slightly higher than the premium shown above because of the small service charge.

We appreciate your continued business. Since 1882, personal service and comprehensive coverages have been the hallmarks of the Chubb Group of Insurance Companies.

Thank you for insuring through Chubb.

**Exhibit 1**





CHUBB

## CHUBB GROUP U.S. PRIVACY NOTICE

FILED DATE: 1/29/2021 4:34 PM 2021L001093

FACTS	WHAT DOES THE CHUBB GROUP DO WITH YOUR PERSONAL INFORMATION?	
<b>Why?</b>	Insurance companies choose how they share your personal information. Federal and state law gives consumers the right to limit some but not all sharing. Federal and state law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.	
<b>What?</b>	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> <li>• Social Security number and payment history</li> <li>• insurance claim history and medical information</li> <li>• account transactions and credit scores</li> </ul> <p>When you are no longer our customer, we continue to share information about you as described in this notice.</p>	
<b>How?</b>	All insurance companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons insurance companies can share their customers' personal information; the reasons the Chubb Group chooses to share; and whether you can limit this sharing.	
Reasons we can share your personal information	Does Chubb share?	Can you limit this sharing?
For our everyday business purposes - such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	YES	NO
For our marketing purposes - to offer our products and services to you	YES	NO
For joint marketing with other financial companies	YES	NO
For our affiliates' everyday business purposes - information about your transactions and experiences	YES	NO
For our affiliates' everyday business purposes - information about your creditworthiness	NO	We don't share
For our affiliates to market to you	NO	We don't share
For nonaffiliates to market to you	NO	We don't share
<b>Questions?</b>	Call 1-800-258-2830 or go to <a href="https://www2.Chubb.com/us-en/privacy.aspx">https://www2.Chubb.com/us-en/privacy.aspx</a>	

Exhibit 1

Page 2

<b>Who Is providing this notice?</b>	
The Chubb Group. A list of these companies is located at the end of this document.	
<b>What we do</b>	
<b>How does Chubb Group protect my personal information?</b>	<p>To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.</p> <p>We restrict access to personal information to our employees, affiliates' employees, or others who need to know that information to service the account or to conduct our normal business operations.</p>
<b>How does Chubb Group collect my personal information?</b>	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> <li>• apply for insurance or pay insurance premiums</li> <li>• file an insurance claim or provide account information</li> <li>• give us your contact information</li> </ul> <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
<b>Why can't I limit all sharing?</b>	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> <li>• sharing for affiliates' everyday business purposes - information about your creditworthiness</li> <li>• affiliates from using your information to market to you</li> <li>• sharing for nonaffiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing. See below for more on your rights under state law.</p>
<b>Definitions</b>	
<b>Affiliates</b>	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>• Our affiliates include those with a Chubb name and other companies, such as Westchester Fire Insurance Company and Great Northern Insurance Company.</li> </ul>
<b>Nonaffiliates</b>	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>• Chubb does not share nonaffiliates so they can market to you.</li> </ul>
<b>Joint Marketing</b>	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> <li>• Our joint marketing partners include categories of companies such as banks.</li> </ul>

Exhibit 1

CHUBB<sup>®</sup>

FILED DATE: 1/29/2021 4:34 PM 2021L001093

Page 3

**Other Important Information**

**For Insurance Customers in AZ, CA, CT, GA, IL, MA, ME, MN, MT, NV, NC, NJ, OH, OR, and VA only:** Under state law, under certain circumstances, you have the right to see the personal information about you that we have on file. To see your information, write Chubb Group Attention: Privacy Inquiries, 202 Hall's Mill Road, P.O. Box 1600, Whitehouse Station, NJ 08889-1600. Chubb may charge a reasonable fee to cover the costs of providing this information. If you think any of the information is not accurate, you may write us. We will let you know what actions we take. If you do not agree with our actions, you may send us a statement. If you want a full description of privacy rights that we will protect in accordance with the law in your home state, please contact us and we will provide it. We may disclose information to certain third parties, such as law enforcement officers, without your permission.

**For Nevada residents only:** We may contact our existing customers by telephone to offer additional insurance products that we believe may be of interest to you. Under state law, you have the right to opt out of these calls by adding your name to our internal do-not-call list. To opt out of these calls, or for more information about your opt out rights, please contact our customer service department. You can reach us by calling 1-800-258-2930, emailing us at [privacyinquiries@Chubb.com](mailto:privacyinquiries@Chubb.com), or writing to Chubb Group, Attention: Privacy Inquiries, 202 Hall's Mill Road, P.O. Box 1600, Whitehouse Station, NJ 08889-1600. You are being provided this notice under Nevada state law. In addition to contacting Chubb, Nevada residents can contact the Nevada Attorney General for more information about your opt out rights by calling 775-684-1100, emailing [bcinfo@ag.state.nv.us](mailto:bcinfo@ag.state.nv.us), or by writing to: Office of the Attorney General, Nevada Department of Justice, Bureau of Consumer Protection: 100 North Carson Street, Carson City, NV 89701.

**For Vermont residents only:** Under state law, we will not share information about your creditworthiness within our corporate family except with your authorization or consent, but we may share information about our transactions or experiences with you within our corporate family without your consent.

**Chubb Group Companies Providing This Notice**

This notice is being provided by the following Chubb Group companies to their customers located in the United States: ACE American Insurance Company, ACE Capital Title Reinsurance Company, ACE Fire Underwriters Insurance Company, ACE Insurance Company of the Midwest, ACE Life Insurance Company, ACE Property and Casualty Insurance Company, Agri General Insurance Company, Atlantic Employers Insurance Company, Bankers Standard Fire and Marine Company, Bankers Standard Insurance Company, Century Indemnity Company, Chubb Custom Insurance Company, Chubb Indemnity Insurance Company, Chubb Insurance Company of New Jersey, Chubb Lloyds Insurance Company of Texas, Chubb National Insurance Company, Executive Risk Indemnity Inc., Executive Risk Specialty Insurance Company, Federal Insurance Company, Great Northern Insurance Company, Illinois Union Insurance Company, Indemnity Insurance Company of North America, Insurance Company of North America, Pacific Employers Insurance Company, Pacific Indemnity Company, Penn Millers Insurance Company, Texas Pacific Indemnity Company, Vigilant Insurance Company, Westchester Fire Insurance Company and Westchester Surplus Lines Insurance Company.

**Exhibit 1**



## Premium Discount Summary

**CHUBB**

**Name and address of Insured:**

KENNETH A. & AMY WEXLER  
C/O NICOLE FONDRIE  
55 WEST MONROE ST, STE 3300  
CHICAGO, IL 60603

**Page: 1**

**Policy no: 11468976-09**

**Policy period: 9/1/18 to 9/1/19**

We know that you've worked hard for what you own and want to protect it. We also know that saving money is important to you. You can take advantage of a variety of discounts offered by Chubb. Here is a list of some of the discounts you're already receiving.

**You have the power to reduce your premiums.**

Your insurance cost could have been **\$7,969** but you took action and received **\$1,545** in discounts.

Your premium was reduced to **\$6,424**.

### Overview

### Your Discount

#### Homes and Contents

That's a homeowner savings of **\$1,545**.

**House at:**

**468 LAKESIDE TERRACE, GLENCOE, IL**

- 10% because you also insure your automobile(s) with Chubb
- 7.5% because you also insure your valuable articles with Chubb
- 10% for being a long-time customer combined with your loss history
- A reduction for having a burglar alarm that meets our criteria
- A reduction for having a fire alarm that meets our criteria

Please note: This document may not reflect all of the discounts you are receiving on your Chubb insurance policy. To review all of the discounts available from Chubb, please contact your agent or broker, as he or she is always your best source of information and advice.

**Exhibit 1**

*Masterpiece*®

CHUBB

**Name and address of Insured**  
KENNETH A. & AMY WEXLER  
C/O NICOLE FONDRIE  
55 WEST MONROE ST, STE 3300  
CHICAGO, IL 60603

**Effective Date** 9/1/18  
**Policy no.** 11468976-09  
**Issued by** Chubb National Insurance Company  
a stock insurance company  
incorporated in Indiana  
**Policy period** 9/1/18 to 9/1/19

**If you have any questions, please contact**  
AON PRIVATE RISK MANAGEMENT INSURANCE  
AGENCY, INC.  
13901 SUTTON PARK, S.C 360  
JACKSONVILLE, FL 32224  
866.225.5266

#### **IMPORTANT NOTICE**

All of the members of the Chubb Group of Insurance companies doing business in the United States (hereinafter "Chubb") distribute their products through licensed insurance brokers and agents ("producers"). Detailed information regarding the types of compensation paid by Chubb to producers on US insurance transactions is available under the Producer Compensation link located at the bottom of the page at [www.chubb.com](http://www.chubb.com), or by calling 1-866-588-9478. Additional information may be available from your producer.

Thank you for choosing Chubb.

**Exhibit 1**

**Masterpiece®**

**Homeowner Coverage Change**

**CHUBB**

***In order to continually provide some of the finest insurance products available, we sometimes make changes to our state contracts. Below is a convenient summary of a current change we recently made for select states.***

**Policy no. 11468976-09  
Policy period 9/1/18 to 9/1/19**

**Dear Valued Client:**

**We are pleased to enclose the renewal of your *Masterpiece®* policy. As part of our commitment to provide unrivaled service and coverages that suit your lifestyle at a competitive price, we are introducing the following policy enhancement:**

**In certain states, we *enhanced* the Extra Coverage, Water detection expense, to include coverage, up to \$5,000, for the cost of a water leak detection and control system following a covered water damage loss to your home. In order to determine if this coverage applies for one or all of your homes shown in the Coverage Summary, please take some time to review your policy carefully, as it alone fully describes your coverage.**

**If you have any questions regarding this change, please contact your agent or broker, as he or she is always your best source of information and advice.**

**Thank you for insuring with Chubb. We appreciate your business.**

**www.chubb.com      email: [customercare@chubb.com](mailto:customercare@chubb.com)**

Chubb is the marketing name used to refer to subsidiaries of Chubb Limited providing insurance and related services. For a list of these subsidiaries, please visit our website at [www.chubb.com](http://www.chubb.com). Insurance provided by U.S. based Chubb underwriting companies. All products may not be available in all states. Coverage is subject to the language of the policies as actually issued. Surplus lines insurance sold only through licensed surplus lines producers, Chubb Personal Risk Services, P.O. Box 1600, Whitehouse Station, NJ 08889-1600.

**Exhibit 1**





**Homeowners Discounts  
for Illinois**

**CHUBB®**

**Chubb is committed to consistently delivering high-quality insurance products and services, and we want to let you know about them.**

**Policy no. 11468976-09  
Policy period 9/1/18 to 9/1/19**

Dear Valued Client:

We are pleased to enclose the renewal of your Illinois *Masterpiece®* policy and greatly appreciate the continued confidence you have placed in us.

**Renewal time presents the perfect opportunity for you to speak with your agent or broker about the full suite of competitive discounts and coverage options available to Chubb clients. Here are some ways in which you can lower your premium:**

**Higher Deductible Discount for Selecting Higher Deductibles**

Did you know that Chubb provides deductible options of \$5,000, \$7,500, and up? By selecting a higher deductible, you have the potential for significant premium savings.

**Policy Discounts**

If there are safety features you have installed in your home, make sure to let Chubb know as that may result in an additional policy discount. Your agent or broker would have a full list of these options, but one of the discounts we have recently enhanced is below:

- **Water Leak Detection Device Discount** that applies if it closes the master plumbing valve and/or activates a central station or direct alarm.

**As always, Chubb's unique array of complimentary and optional services will be there to assist you before, during and after a loss. As an Illinois Homeowners policyholder, you can take advantage of services including ADT custom home security, water leak prevention, identity theft management, and so much more. We can help you better manage risks to your home and family, or provide referral services to qualified contractors, appraisers, collections specialists, and collector car experts. Of course, we're most proud of our unparalleled claim service and are known throughout the industry for being hassle-free and fair. Check out our full suite of services at [www.chubb.com/personal](http://www.chubb.com/personal).**

For more details about your eligibility for policy discounts and to discuss coverage and service needs, your agent or broker is always the best source of information and advice.

Thank you for insuring with Chubb. We appreciate your business.

[www.chubb.com](http://www.chubb.com) email: [customercare@chubb.com](mailto:customercare@chubb.com)

Chubb is the marketing name used to refer to subsidiaries of Chubb Limited providing insurance and related services. For a list of these subsidiaries, please visit our website at [www.chubb.com](http://www.chubb.com). Insurance provided by U.S. based Chubb underwriting companies. All products may not be available in all states. Coverage is subject to the language of the policies as actually issued. Surplus lines insurance sold only through licensed surplus lines producers. Chubb Personal Risk Services, P.O. Box 1600, Whitehouse Station, NJ 08889-1600.

**Exhibit 1**

**Masterpiece®****Coverage Summary  
Renewal****CHUBB****Name and address of Insured**

KENNETH A. & AMY WEXLER  
C/O NICOLE FONDRIE  
65 WEST MONROE ST, STE 3300  
CHICAGO, IL 60603

**Page 1****Effective date** 9/1/18**Policy no.** 11468976-09

**Issued by** Chubb National Insurance Company  
a stock insurance company  
incorporated in Indiana

**Policy period** 9/1/18 to 9/1/19

**If you have any questions, please contact**  
AON PRIVATE RISK MANAGEMENT INSURANCE  
AGENCY, INC.  
13901 SUTTON PARK,S,C360  
JACKSONVILLE, FL 32224  
866.225.5266

This Coverage Summary is part of your policy. **PLEASE READ YOUR POLICY CAREFULLY, INCLUDING THIS COVERAGE SUMMARY, FOR A COMPLETE DESCRIPTION OF YOUR COVERAGES.**

**Homes and Contents**

Your policy provides coverage against physical loss if your home or its contents are damaged, destroyed, or lost. The kinds of losses that are covered, and any special limits that apply, are explained in detail in the policy.

Address	Dwelling	Contents
HOUSE AT 468 LAKESIDE TERRACE GLENCOE, IL	\$2,423,000 DELUXE COVERAGE  EXTENDED REPLACEMENT COST	\$1,211,500 DELUXE COVERAGE  REPLACEMENT COST

The base deductible for each occurrence is \$7,500. We will waive the base deductible for covered losses of more than \$50,000 except for covered losses subject to any special deductibles. Special deductibles include the vacant house deductible, water backup deductible, wind or hail deductible, and earthquake deductible.

**Additional coverages or conditions****Exhibit 1**



## **Coverage Summary Renewal**

**Page 2**

**Effective date** 9/1/18

**Policy no.** 11468976-09

**Name** KENNETH A. & AMY WEXLER  
C/O NICOLE FONDRIFF

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### **Homes and Contents**

(Continued)

#### **Water backup deductible**

In lieu of the base deductible, a \$7,500 water backup special deductible applies to each occurrence of a covered loss caused by, contributed to, made worse by, or in any way resulting from backup from within a plumbing system, sewer or drain. This \$7,500 water backup special deductible also applies to each occurrence of a covered loss which is contributed to, made worse by, or in any way resulting from the failure to remove or the inadequate removal of water or water borne material by a sump pump or other drainage system. This deductible applies to your house, contents and extra coverages at 468 LAKESIDE TERRACE, GLENCOE, IL.

However, if more than one special deductible applies to a covered loss (other than the construction special deductible), and the dollar amount of any of these special deductibles is greater than the \$7,500 water backup special deductible, the special deductible with the greatest dollar amount applies to the covered loss. If the dollar amount of the base deductible is greater than the dollar amount of the applicable special deductible, the dollar amount of that special deductible is increased to the dollar amount of the base deductible.

#### **Important notice regarding mold remediation expenses**

You have the standard \$10,000 mold remediation expense coverage as described in your policy for the residence at 468 LAKESIDE TERRACE, GLENCOE, IL. To increase the amount of coverage for mold remediation expenses, you must contact your agent or broker shown at the top of this Coverage Summary prior to the effective date of this renewal. The request will be subject to underwriting acceptance.

#### **Other permanent structures**

You have up to \$484,600 of Other permanent structures coverage for your residence at 468 LAKESIDE TERRACE, GLENCOE, IL.

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### **Valuable Articles**

This policy provides you with coverage against physical loss if your valuable articles are lost, damaged, or destroyed. The kinds of losses that are covered, and any special limits that apply, are explained in detail in the policy.

#### **Blanket coverage**

We will pay up to the amount shown in the following chart for each category of valuable articles. However, the most we will pay for any one article is the blanket limit per item shown for that category.

**Exhibit 1**

**Coverage Summary  
Renewal****CHUBB****Page 3****Effective date** 9/1/18**Policy no.** 11468976-09**Name** KENNETH A. & AMY WEXLER  
C/O NICOLE FONDRIE**Valuable Articles**

(Continued)

**Itemized articles**

The amount of coverage for your valuable articles is shown in the following chart. A list of your itemized valuable articles, and the specific coverage amounts, can be found at the end of the Coverage Summary.

<b>Class</b>	<b>Amount of blanket coverage</b>	<b>Blanket limit per item</b>	<b>Amount of itemized coverage</b>
JEWELRY	\$ 20,000	\$ 50,000	\$ 125,156
FINE ARTS	\$ 9,394	\$ 50,000	\$ 13,500
SILVERWARE	\$ 4,154	NO ITEM LIMIT	NO COVERAGE

There is no deductible for this coverage.

**Liability**

Amount of liability coverage: **\$500,000.**

This is the total amount of your liability coverage. It applies to all property for which you have liability coverage, as shown in the following chart.

Your liability coverage covers damages for which you are legally responsible. For each occurrence, we will pay up to the amount of your liability coverage, as explained in your policy.

However, when you have excess liability only, we will pay for a covered loss only after the loss exceeds the required primary underlying insurance shown in your policy. This applies whether you have other liability coverage provided under a separate policy with us or by another insurance company.

<b>Home</b>	HOUSE AT 468 LAKESIDE TERRACE GLENCOE, IL	<b>PERSONAL LIABILITY</b>
	HOUSE AT 89790 BARK POINT RD HERBSTER, WI	<b>PERSONAL LIABILITY</b>

**Exhibit 1**

**Coverage Summary  
Renewal**

**Page 4**

**Effective date 9/1/18**

**Policy no. 11468976-09**

**Name KENNETH A. & AMY WEXLER  
C/O NICOLE FONDRIE**

As the duly authorized representative of the company my signature validates this policy.



---

Paul N. Morrissette  
Authorized representative

**Exhibit 1**

**Masterpiece®****Itemized Articles****CHUBB'****Name and address of insured**

KENNETH A. & AMY WEXLER  
 C/O NICOLE FONDRIE  
 55 WEST MONROE ST, STE 3300  
 CHICAGO, IL 60603

**Page 1****Effective date** 9/1/18**Policy no.** 11468976-09

**Issued by** Chubb National Insurance Company  
 a stock insurance company  
 incorporated in Indiana

**Policy period** 9/1/18 to 9/1/19

**If you have any questions, please contact**  
 AON PRIVATE RISK MANAGEMENT INSURANCE  
 AGENCY, INC.  
 13901 SUTTON PARK,S,C360  
 JACKSONVILLE, FL 32224  
 866.225.5266

<b>Class</b>	<b>No.</b>	<b>Description</b>	<b>Value</b>
<b>Jewelry</b>	1	RUBY AND DIAMOND IN 18KT GOLD	\$ 5,697
	2	14KT YG NECKLACE WITH 7 HEARTS IN CENTER GOLD WG ABOUT 16 DWT	\$ 1,533
	3	14KT YG HEART LINK BRACELET WITH 1 HEART CHARM SET W/A FULL CUT DIAMOND WEIGHT ABOUT 22 DWT	\$ 1,915
	4	14KT YG ROPE CHAIN 16 IN LONG GOLD WT ABOUT 10 DWT	\$ 864
	5	18KT YG CHARM SET WITH 8 ROUND BLUE SAPPHIRES ABOUT 2.5MM EACH GOLD WEIGHT ABOUT 7 DWT	\$ 768
	6	1 STRAND OF 113 CULTURED PEARLS ABOUT 6.5MM-7MM VERY GOOD LUSTER AND ROUNDNESS FEW BLEMISHES CREME CLEAR WITH SLIGHT ROSE A OVERTOWN CLASP 18KT YG CONT. 7 FULL CUT DIAMOND TOTAL ABOUT .40 CT GOLD WT ABOUT 5 DWT FOR CLASP	\$ 4,214
	7	1 STRAND OF 44 JADE BEADS GRAUATED IN SIZE FROM 12 MM TO 9.5MM VARIOUS SHADES OF GREAN CLEAR COURSE TEXTURE GOLD PLATED CLASP CONTAINS 1 CARVED JADE WAFER 42 MM X 25 MM GREEN AND WHITE MOTTLED APPEARANCE	\$ 1,246
	8	BROOCH 1 SCHUMBERGER TWIN BUDS 18KG AND CORAL PIN	\$ 3,352
	9	14KT YG ALL AROUND WEDDING BAND MT WITH 23 BRILLIANT DIAMOND H COLOR, VS1 DIAMOND TW 2.09CT	\$ 5,173

**Exhibit 1**

**Itemized Articles**

Page 2.

Effective date 9/1/18.

Policy no. 11468976-09

Name KENNETH A. &amp; AMY WEXLER

C/O NICOLE FONDRIE

Class	No.	Description	Value
<b>Jewelry</b> (continued)			
	10	ONE LADIES PLATINUM SAPPHIRE AND DIAMOND RING FEATURES 1 OVAL CUT SAPPHIRES 2.75 CT AND 12 ROUND FULL CUT DIAMONDS .48 CTS HAVING F COLOR AND VS2 CLARITY	\$ 26,822
	11	ONE CULTURED PEARL NECKLACE CONSISTS OF SEVENTY THREE 7 AND 7 1/2 MM PEARLS MEDIUM CREAM ROSE MED NARCE MED BRIGHT LUSTER AND CLEAN	\$ 4,599
	12	14KT YG 32.89G HEART DESIGN BRACELET WITH HEART SHAPED CHARM SET WITH 1 FULL CUT DIAMOND ABOUT .12CT	\$ 2,874
	13	1 PLATINUM CHANNEL BRACELET 4.42MM WIDE 23.7G SET WITH 42 SYNTHETIC SWISS CUT RUBIES	\$ 2,874
	14	18KT YG DOUBLE ACORN BROOCH DESIGNED BY JEAN SCHLUMBERGER WITH 2 SALMON COLORED CORALS	\$ 5,747
	15	14KT YG CHANNEL WEDDING RING 4.5MM WIDE 5.8 G SET WITH 23 FULL CUT DIAMOND WITH AN EST. TW OF 2.30 CTS COLOR G-H CLAR. VVS2-VS1	\$ 7,666
	16	14KT YG FINGER RING 7.1 G SET WITH ONE BLACK OPAL MOSAIC ALL COLORS VERY FINE ROLLING FLASH 17.65 X 13.90 X 5.3 MM WITH AN ESTIMATED WT OF 7.27 CTS SET WITH 2 FULL CUT DIAMONDS ABOUT .10CTS	\$ 32,567
	17	LADIES PAIR OF 18KT YG PIERCED EARRINGS. POSTS WITH OMEGA CLIP BACKS SET WITH TOTAL OF 28 ROUND BRILLIANT CUT DIAMONDS TW 1.76 CTS. DIAMONDS ARE RUSSIAN CUT OF VVS CLARITY, E-F COLOR, 6.54 DWT	\$ 9,579
	18	18 KT YG WOVEN CHAIN NECKLACE WITH SAFETY TUBE CLASP CONT: 1 13 ROUND BRILLIANT CUT DIAMONDS WEIGHING 1.37 CTS, VS2 CLARITY, F-G COLOR, 12.92 DWT.	\$ 7,666

**Exhibit 1**

**Itemized Articles****CHUBB****Page 3****Effective date 9/1/18****Policy no. 11468976-09****Name KENNETH A. & AMY WEXLER****C/O NICOLE FONDRIE**

<b>Class</b>	<b>No.</b>	<b>Description</b>	<b>Value</b>
<b>Fine Arts</b>	1	JDK 237, HILDA 1914, RARE 27" SIZE, 19" HEAD CIRCUMFERENCE BABY BODY, BROWN SLEEP EYES, BEAUTIFUL COLORING ON HEAD, HEAD IS PERFECT CONDITION	\$ 4,800
	2	THE TWO FRIENDS	\$ 2,400
	3	HAN DYNASTY CLAY SCULPTURE, HORSE.	\$ 4,200
	4	HAN DYNASTY CLAY SCULPTURE, STICK MAN.	\$ 2,100

**Exhibit 1**

**Masterpiece®****CHUBB®****Additional Interests  
Summary****Name and address of Insured**

KENNETH A. & AMY WEXLER  
C/O NICOLE FONDRIE  
55 WEST MONROE ST, STE 3300  
CHICAGO, IL 60603

**Page 1****Effective date** 9/1/18**Policy no.** 11468976-09

**Issued by** Chubb National Insurance Company  
a stock insurance company  
incorporated in Indiana

**Policy period** 9/1/18 to 9/1/19

**If you have any questions, please contact**  
AON PRIVATE RISK MANAGEMENT INSURANCE  
AGENCY, INC.  
13901 SUTTON PARK,S,C360  
JACKSONVILLE, FL 32224  
866.225.5266

This summary lists the Additional Interests you have requested to be shown on your policy. We notify each Additional Interest separately. Regardless of the number of Additional Interests shown on your policy, the amount of coverage for any one occurrence does not increase.

**Mortgagee**

This section shows the Mortgagee(s) for your home(s) shown below.

**Address****Mortgagee**

HOUSE AT  
468 LAKESIDE TERRACE  
GLENCOE, IL

JPMORGAN CHASE BANK NA  
ITS SUCCESSORS AND/OR  
ASSIGNS ATIMA  
PO BOX 47020  
DORAVILLE, GA 30362

Loan Number 1100217244

HOUSE AT  
468 LAKESIDE TERRACE  
GLENCOE, IL

JPMORGAN CHASE BANK, N.A.  
ISAOA/ATIMA  
312 S. FOURTH STREET  
FLOOR 5  
LOUISVILLE, KY 40202

Loan Number 60301001502200

HOUSE AT  
468 LAKESIDE TERRACE  
GLENCOE, IL

BNY MELLON, NA  
ISAOA/ATIMA  
P.O. BOX 961292  
FORT WORTH, TX 76161-0292

**Trust**

This section shows the Trust(s) for your home(s) shown below.

**Exhibit 1**

**Additional Interests  
Summary**

**Page 2**

**Effective date** 9/1/18

**Policy no.** 11468976-09

**Name** KENNETH A. & AMY WEXLER  
C/O NICOLE FONDRIE

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**Trust**

(Continued)

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**Address**

HOUSE AT  
468 LAKESIDE TERRACE  
GLENCOE, IL

---

**Trust**

KENNETH A WEXLER & AMY  
BRENT WEXLER  
1996 TRUST  
468 LAKESIDE TERRACE  
GLENCOE, IL 60022

Applicable to: Property and  
Liability

**Exhibit 1**



**Masterpiece®****Table of Contents****CHUBB****Name and address of Insured**

KENNETH A. & AMY WEXLER  
 C/O NICOLE FONDRIE  
 65 WEST MONROE ST, STE 3300  
 CHICAGO, IL 60603

**Effective date** 9/1/18**Policy no.** 11468976-09

**Issued by** Chubb National Insurance Company  
 a stock insurance company  
 incorporated in Indiana

**Policy period** 9/1/18 to 9/1/19

**If you have any questions, please contact**  
**AON PRIVATE RISK MANAGEMENT INSURANCE**  
**AGENCY, INC.**  
 13901 SUTTON PARK,S,C360  
 JACKSONVILLE, FL 32224  
 866.225.5266

This table of contents lists your policy provisions. Please attach this table of contents to your policy so you have a current list of your coverages at all times.

**Contents**

<b>Chapter</b>	<b>Edition Date</b>	<b>State</b>	<b>Page</b>
Introduction			A-1
Deluxe House Coverage	09/17	ILL	B-1
Deluxe Contents Coverage	05/17	ILL	C-1
Valuable Articles Coverage	12/14	ILL	N-1
Personal Liability Coverage	05/17	ILL	T-1
Policy Terms	02/16	ILL	Y-1
Policy Information Notice	05/17	ILL	

**Exhibit 1**

*Masterpiece*®

**Introduction**

CHUBB®

This is your Chubb Masterpiece Policy. Together with your Coverage Summary, it explains your coverages and other conditions of your insurance in detail.

This policy is a contract between you and us. **READ YOUR POLICY CAREFULLY** and keep it in a safe place.

---

**Agreement**

We agree to provide the insurance described in this policy in return for your premium and compliance with the policy conditions.

---

**Definitions**

In this policy, we use words in their plain English meaning. Words with special meanings are defined in the part of the policy where they are used. The few defined terms used throughout the policy are defined here:

**You** means the person named in the Coverage Summary, and a spouse who lives with that person.

**Spouse** means a partner in marriage or a partner in a civil union recognized under state law.

**We and us** mean the insurance company named in the Coverage Summary.

**Family member** means your relative who lives with you, or any other person under 25 in your care or your relative's care who lives with you, or a student under 25 in your care temporarily away at school who is a resident of your household.

**Policy** means your entire Masterpiece Policy, including the Coverage Summary and any Mortgagee's Coverage Summary.

**Coverage Summary** means the most recent Coverage Summary we issued to you, including any subsequent Coverage Updates.

**Occurrence** means a loss or accident to which this insurance applies occurring within the policy period. Continuous or repeated exposure to substantially the same general conditions unless excluded is considered to be one occurrence.

**Business** means any employment, trade, occupation, profession, or farm operation including the raising or care of animals.

**Masterpiece®**

**Deluxe House  
Coverage**

**CHUBB**

This part of your Masterpiece Policy provides you with coverage against all risk of physical loss to your house unless stated otherwise or an exclusion applies.

"House" means the main one-family or two-family dwelling at each Illinois location with Deluxe House Coverage shown in the Coverage Summary.

---

## **Payment for a Loss**

### **Amount of coverage**

The amount of coverage for each house for each occurrence is shown in the Coverage Summary.

To help you and us agree on the appropriate amount of coverage, we may, but are not obligated to, conduct appraisals of your house and other permanent structures and also make periodic adjustments to the amount of coverage. It is your duty to advise us of additions, alterations or renovations to your house or other permanent structures at the beginning of, throughout, and at the completion of construction so that the amount of coverage for your house or other permanent structures can be adjusted to maintain an appropriate amount of coverage based on the construction cost information you provide.

At the time of a covered loss, the amount of coverage for your house will be adjusted to include any increase in the United States Consumer Price Index calculated from the beginning of the policy period.

### **Deductibles**

A deductible is that amount we will subtract from the amount of a covered loss in determining the amount we will pay. Either the base deductible listed in the Coverage Summary or one or more of the special deductibles applies to each occurrence, unless stated otherwise.

**Special deductibles.** If more than one special deductible applies to a covered loss (other than the construction special deductible), the special deductible with the greatest dollar amount applies to the covered loss.

If the construction deductible applies to a covered loss, and one or more other special deductibles also apply, the dollar amount of the construction deductible will be combined with the greatest dollar amount of any other applicable special deductible, and the total amount of **both** deductibles will be applied to the covered loss.

**Construction deductible.** In lieu of the base deductible, a 5% construction special deductible applies to each occurrence if at any time during the policy period:

- you are newly constructing your house;
- you are newly constructing an other permanent structure which will equal or exceed 10% of the amount of coverage for the house as shown in the Coverage Summary at the time of a covered loss; or

09/25/17

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Illinois Deluxe House Coverage

7/24/17 10:34:45

**Exhibit 1**  
**Page B-1**

## **Deluxe House Coverage**

---

### **Payment for a Loss**

(continued)

- you are constructing additions, alterations, or renovations to your house or an other permanent structure which will equal or exceed the lesser of 10% of the amount of coverage for the house at the time of a covered loss or \$500,000, and you or your agent did not notify us, and the covered loss commenced at such house or other permanent structure.

This construction special deductible applies to your house, contents and extra coverages. The dollar amount of this deductible is equal to 5% of the amount of coverage for the house as shown in the Coverage Summary at the time of a covered loss.

If the dollar amount of the base deductible is greater than the dollar amount of the construction special deductible, the dollar amount of the construction special deductible is increased to the dollar amount of the base deductible. This construction special deductible applies in addition to the greatest of any other special deductible that applies to the covered loss.

**Vacant house deductible.** In lieu of the base deductible, a 5% vacant house special deductible applies to each occurrence if your house has been substantially empty of furnishings and contents for more than 30 consecutive days at the time of a covered loss, and you did not notify us it would be vacant. This deductible applies to your house, contents and extra coverages. The dollar amount of this deductible is equal to 5% of the amount of coverage for the house as shown in the Coverage Summary at the time of a covered loss. If your house coverage amount is increased because of extended replacement cost, the deductible will be based on the increased amount. However, if more than one special deductible applies to a covered loss (other than the construction special deductible), the special deductible with the greatest dollar amount applies to the covered loss. If the dollar amount of the base deductible is greater than the dollar amount of the applicable special deductible, the dollar amount of that special deductible is increased to the dollar amount of the base deductible.

### **Payment basis**

Your Coverage Summary indicates the payment basis for each house.

"Reconstruction cost" means the lesser of the amount required at the time of loss to repair, replace, or rebuild, at the same location, your house or any other permanent structure, using like design, and materials and workmanship of comparable kind and quality.

"Reconstruction cost" does not include any amount required for:

- the excavation, replacement or stabilization of land under or around your house or any other permanent structure;
- conforming to any law or ordinance that regulates the repair, replacement, rebuilding or demolition of your house or any other permanent structure; or
- removing the debris of a covered loss or the property that caused a covered loss.

**Extended replacement cost.** If the payment basis is extended replacement cost, we will pay the reconstruction cost even if this amount is greater than the amount of coverage for your house as shown in the Coverage Summary or the amount of coverage for other permanent structures as shown in the Coverage Summary.

**Deluxe House  
Coverage**

**CHUBB**

FILED DATE: 1/29/2021 4:34 PM 2021L001093

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**Payment for a Loss**  
(continued)

Extended replacement cost is provided on the condition that you maintain at least the amount of coverage for your house and other permanent structures as previously agreed to, including any adjustments by us based on appraisals, revaluations and annual adjustments for inflation.

This payment basis is subject to the following limitations:

- If you have a covered partial loss to your house or other permanent structure and do not begin to repair, replace, or rebuild the lost or damaged property within 180 days from the date of loss or a later date if agreed to by us, we will only pay the reconstruction cost, less depreciation.
  - If you have a covered total loss to your house or other permanent structure and do not begin to replace or rebuild the lost or damaged property within 180 days from the date of loss or a later date if agreed to by us, the payment basis will be verified replacement cost.
  - If you do not repair, replace, or rebuild your house or other permanent structure at the same location, the payment basis will be verified replacement cost.
  - If at any time during any policy period of this coverage:
    - you are newly constructing your house;
    - you are newly constructing an other permanent structure which will equal or exceed 10% of the amount of coverage for the house as shown in the Coverage Summary at the time of a covered loss; or
    - you are constructing additions, alterations, or renovations to your house or an other permanent structure which will equal or exceed the lesser of 10% of the amount of coverage for the house as shown in the Coverage Summary at the time of a covered loss or \$500,000,your payment basis for your house or that other permanent structure will be conditional replacement cost. Conditional replacement cost will remain your payment basis until construction is completed.
- Your duty:** It is your duty to notify your agent or broker at the beginning of, throughout, and at the completion of construction so that the amount of coverage for your house or other permanent structures can be adjusted to maintain an appropriate amount of coverage based on the construction cost information you provide. This is to reduce the possibility of being underinsured.
- If you cannot repair, replace, or rebuild your house because your primary mortgagee or its assignees has recalled your mortgage, we will pay the reconstruction cost up to the amount of coverage shown in the Coverage Summary for your house, minus what is due to the mortgagee.

**Verified replacement cost.** If the payment basis is verified replacement cost, we will pay the reconstruction cost of:

- your house up to the amount of coverage shown in the Coverage Summary; and
- other permanent structures up to the amount of coverage for other permanent structures, whether or not you actually repair, replace, or rebuild.

Verified replacement cost is provided on the condition that you maintain at least 90% of the full amount of coverage we recommend for your house, including any adjustments by us based on appraisals, revaluations and annual adjustments for inflation.

If you have a covered partial loss to your house or an other permanent structure, and do not begin to repair, replace, or rebuild the lost or damaged property within 180 days from the date of loss or a later date if agreed to by us, we will only pay the reconstruction cost less depreciation.

09/25/17

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Illinois Deluxe House Coverage

**Exhibit 1**  
Page B-3

7/24/17 10:34:45

## **Deluxe House Coverage**

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### **Payment for a Loss** (continued)

**Conditional replacement cost.** If the payment basis is conditional replacement cost, our payment will be the greater of the following:

- the reconstruction cost less depreciation; or
- the proportion of the covered loss to your house or other permanent structure determined by dividing the amount of coverage for your house as shown in the Coverage Summary, by 80% of the amount required to rebuild your entire house.

However, our payment will not exceed the lesser of:

- the reconstruction cost; or
- the amount of coverage for your house as shown in the Coverage Summary or the amount of coverage for other permanent structures.

If you have a covered partial loss to your house or an other permanent structure, and do not begin to repair, replace or rebuild the lost or damaged property within 180 days from the date of loss, our payment will be the lesser of the following:

- the reconstruction cost less depreciation; or
- the proportion of the covered loss to your house or other permanent structure determined by dividing the amount of coverage for your house as shown in the Coverage Summary by 80% of the amount required to rebuild your entire house.

However, our payment will not exceed the lesser of:

- the reconstruction cost; or
- the amount of coverage for your house as shown in the Coverage Summary or the amount of coverage for other permanent structures.

---

### **Deluxe House Coverage**

In Deluxe House Coverage, a "covered loss" includes all risk of physical loss to your house or other property covered under this part of your Masterpiece Policy, unless stated otherwise or an exclusion applies. Exclusions to this coverage are described in **Exclusions**.

In lieu of the definition for "business" in the Introduction, the following definition of "business" applies:

"Business" means any employment, trade, occupation, profession, or farm operation including the raising or care of animals or any activity intended to realize a benefit or financial gain engaged in on a full-time, part-time or occasional basis.

---

### **Extra Coverages**

In addition to covering the physical loss to your house, we also provide other related coverages. These coverages are in addition to the amount of coverage for your house unless stated otherwise or an exclusion applies. All deductibles apply to Extra Coverages unless stated otherwise. Exclusions to these coverages are described in **Exclusions**.

## **Deluxe House Coverage**

**CHUBB**

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### **Extra Coverages**

(continued)

Extra Coverages only apply to other permanent structures on the grounds of your house if an amount of coverage greater than zero is shown in the Coverage Summary for such other permanent structures.

#### **Homeowner assessments**

We cover your share of an assessment charged against you by your homeowners association. But the assessment must be a result of an occurrence that would be covered under:

- this policy to property owned collectively by all homeowners; or
- personal liability coverage if personal liability coverage is shown in the Coverage Summary or under any other personal insurance policy issued by a direct or indirect subsidiary of Chubb Limited providing you with personal liability coverage.

We will pay homeowner assessments resulting from loss caused by earthquake only if earthquake coverage is shown in your Coverage Summary for that location. But your earthquake special deductible applicable to the amount of coverage for your house, as described in your Coverage Summary, applies to your share of the assessment.

If there is a loss caused by earthquake and earthquake coverage is not shown in your Coverage Summary for that location, we do insure homeowner assessments resulting from ensuing covered loss due to fire, explosion, theft or glass breakage unless an exclusion applies.

We will pay up to \$50,000, or any greater amount shown in the Coverage Summary, for any one occurrence, regardless of the number of assessments. But we will not pay more than \$5,000, or any greater amount shown in the Coverage Summary, in any one occurrence for assessments that result from a deductible in your homeowners association's insurance.

Unless an earthquake special deductible applies as stated above, there is no deductible for this coverage.

#### **Other permanent structures**

This coverage is in effect only if an amount of coverage greater than zero is shown in the Coverage Summary for your Other permanent structures.

We cover other permanent structures on the grounds of your house. For each occurrence, we will pay up to the amount of coverage shown in the Coverage Summary for "other permanent structures" at this location. The same payment basis applies to other permanent structures as to the house itself unless stated otherwise in the Coverage Summary.

#### **Additional living expenses**

As described below, under certain conditions when your house or other permanent structure cannot be lived in because of a covered loss to your house or other permanent structure or, if applicable, its contents, we provide coverage for additional living expenses which consists of extra living expenses, loss of fair rental value, and forced evacuation expenses. There is no deductible for this coverage.

"Contents" means personal property you, a family member, or a domestic employee owns or possesses covered by us.

09/25/17

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Illinois Deluxe House Coverage

**Exhibit 1**  
Page B-5

7/24/17 10:34:45



## **Deluxe House Coverage**

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### **Extra Coverages** (continued)

**Extra living expenses.** If a covered loss makes your house or other permanent structure uninhabitable, we cover the reasonable increase in your normal living expenses that is necessary to maintain your household's usual standard of living, including the boarding of domestic animals not primarily owned or kept for business use. We will pay for the boarding of your domestic animals displaced from an other permanent structure even when you have not been displaced by the covered loss. We cover these increases to your normal living expenses for a period of time commencing with the date of loss and ending with the earliest of the following:

- the reasonable amount of time required to restore your house or other permanent structure to a habitable condition;
- the shortest amount of time required to settle elsewhere if you or members of your household permanently relocate;
- the reasonable amount of time required to restore the house or other permanent structure to the condition it was in prior to the covered loss if you are newly constructing your house or other permanent structure or constructing additions, alterations, or renovations to your house or other permanent structure at the time of a covered loss, but we will only cover the increase in your normal living expenses incurred by you; or
- up to two years from the date of loss, or a later date if agreed to by us.

However, you must inform us of your decision whether you intend to repair, replace, or rebuild the house or other permanent structure, or to permanently relocate, within 180 days from the date of loss, or a later date if agreed to by us. If you do not inform us of your decision by this date, the extra living expenses will cease in 30 days.

This period of time is not limited by the expiration of this policy.

**Fair rental value.** If a covered loss makes a part of your house or other permanent structure which you usually rent to others uninhabitable, we cover its fair rental value during the period of time it is usually rented for the reasonable amount of time required to restore it to a habitable condition. We will cover the fair rental value for a period of time commencing with the date of loss and ending with the earliest of the following:

- the reasonable amount of time required to restore your house or other permanent structure to a habitable condition; or
- up to two years from the date of loss, or a later date if agreed to by us.

However, you must inform us of your decision whether you intend to repair, replace, or rebuild the house or other permanent structure, within 180 days from the date of loss, or a later date if agreed to by us. If you do not inform us of your decision by this date, the coverage for fair rental value will cease in 30 days.

This period of time is not limited by the expiration of this policy.

**Forced evacuation expenses.** If you evacuate your house or other permanent structure due to a reasonable threat of a loss covered under this policy, or you are forced to evacuate by a civil authority as a direct result of a covered peril, we cover the reasonable increase in your normal living expenses incurred by you that is necessary to maintain your household's usual standard of living, including the boarding of domestic animals not primarily owned or kept for business use. We also cover any loss in fair rental value if your house or other permanent structure is usually held for rental, but we do not cover any loss of rents due to cancellation of a lease or agreement. However,



## **Deluxe House Coverage**

**CHUBB**

FILED DATE: 1/29/2021 4:34 PM 2021L001093

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### **Extra Coverages**

(continued)

if we determine after the threat of loss is over that there is no covered loss to your house or other permanent structure that makes it uninhabitable, this extra coverage will cease, unless a civil authority prohibits you from use of your house or other permanent structure due to a peril covered under this policy.

We cover these forced evacuation expenses for up to 30 consecutive days, even if the policy period ends during that time.

#### **Land**

Whenever there is a covered loss to your house or other permanent structure and the related repair, replacement, or rebuilding requires excavation, replacement, or stabilization of land under or around your house or other permanent structure, we will pay the necessary cost for the excavation, replacement, or stabilization of the land. The amount of coverage is 10% of the amount of the covered loss to your house or other permanent structure, but not less than \$10,000.

#### **Landscaping**

We cover trees, shrubs, plants, and lawns, which are on the grounds of your house and other permanent structures, against certain kinds of perils. These are fire, lightning, explosion, civil disturbance, vandalism, malicious mischief, theft, and loss caused by a vehicle or aircraft.

We will pay:

- up to a total of 5% of the amount of coverage for the house at which the loss occurs, unless a greater percentage is shown in the Coverage Summary, but
- not more than \$10,000 for any one tree, shrub, or plant, unless a greater amount is shown in the Coverage Summary.

If your payment basis is extended replacement cost, the 5% is applied to the increased amount of coverage.

This extra coverage does not apply to naturally occurring or native grown vegetation, including but not limited to brush, woodlands, forests, grasslands, wetlands or mangroves. We also do not cover vineyards, sod farms, tree farms, orchards, and crops grown or used primarily for business purposes.

This extra coverage applies only if you begin to repair or replace the lost or damaged property within 180 days of the date of loss, or a later date if agreed to by us.

#### **Tree removal**

Unless covered elsewhere under this policy, we will pay the reasonable expenses you incur up to a total of \$1,000 for each occurrence to remove trees fallen due to wind, hail, sleet or the weight of ice or snow. These payments apply only to fallen trees at a location shown in the Coverage Summary.

#### **Fire or police department charges**

If a fire or police department is called to protect your house or its grounds against a covered loss, we will pay up to \$1,000 for any charges imposed by law or assumed by written agreement. There is no deductible for this coverage.

09/25/17

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Illinois Deluxe House Coverage

**Exhibit 1**  
Page B-7

7/24/17 10:34:45

## **Deluxe House Coverage**

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### **Extra Coverages** (continued)

#### **Lock replacement**

If the keys or remote unlocking devices to the exterior doors of your house or other permanent structure or to an electronic gate which you own and used solely for your house or other permanent structure, are lost or stolen, we will pay the cost to re-key or replace the locks or remote unlocking devices, whichever is less, up to \$2,000. There is no deductible for this coverage.

#### **Debris removal**

Unless covered elsewhere under this policy, we cover the reasonable expenses you incur made necessary by a covered loss to demolish damaged covered property, if necessary, and remove debris of the covered loss including the property that caused a covered loss.

#### **Temporary precautionary repairs**

After a covered loss, we cover the reasonable expenses you incur for necessary temporary precautionary repairs made solely to protect your house or other permanent structure against further covered damage. These payments do not increase the amount of coverage for your house or other permanent structures.

#### **Construction materials**

We cover the materials and supplies owned by you on the grounds of your house for use in the construction, alteration, and repair of your house or other permanent structures. These payments apply only to a covered loss, and they do not increase the amount of coverage for your house or other permanent structures.

#### **Rebuilding to code**

After a covered loss to covered property, we cover the necessary cost of conforming to any law or ordinance that requires or regulates:

- the repair, replacement, or rebuilding of the damaged portion of your house or other permanent structure made necessary by the covered loss;
- the demolition, replacement, or rebuilding of the undamaged portion of your house or other permanent structure necessary to complete the repair, replacement, or rebuilding of the damaged portion of your house or other permanent structure; or
- the demolition of the undamaged portion of your house or other permanent structure when your house or other permanent structure must be totally demolished.

However, we will not pay the cost you incur to conform to any law or ordinance that is not a direct result of the covered loss.

This coverage does not apply unless you repair, replace, or rebuild your house or other permanent structure at the same location.

#### **GreenWise® utility expenses**

As described below, if you have a covered loss to your solar, wind, or geothermal electrical power-generating system or to your alternative water system on the grounds of your house, we provide coverage for GreenWise utility expenses, which consists of power utility expenses, power utility income, and alternative water expenses. The maximum amount we will pay for all GreenWise utility expenses combined for each occurrence is \$50,000. These payments do not increase the amount of coverage for your house or other permanent structures. There is no deductible for this coverage.

## **Deluxe House Coverage**

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FILED DATE: 1/29/2021 4:34 PM 2021L001093

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### **Extra Coverages** (continued)

**Power utility expenses.** If a covered loss to your solar, wind, or geothermal electrical power-generating system on the grounds of your house makes it necessary for you to purchase all of your electrical power from a power utility company, we cover the increase in these utility expenses for the reasonable amount of time required to restore or replace the system, even if the policy period ends during that time.

**Power utility income.** If a covered loss to your solar, wind, or geothermal electrical power-generating system on the grounds of your house causes a loss of your power utility income, we cover this loss of your power utility income for the reasonable amount of time required to restore or replace the system, even if the policy period ends during that time.

"Power utility income" means income paid to you, or renewable energy certificates or other similar monetary credits issued to you, by a power utility company for income or credits you earn from the excess electrical power produced by your solar, wind, or geothermal electrical power-generating system. We average the income or the value of the certificates or credits over the 12-month period immediately prior to a covered loss.

**Alternative water expenses.** If a covered loss to your alternative water system makes it necessary for you to purchase replacement water for residential watering of the grounds of your house, we cover the increase in these water expenses for the reasonable amount of time required to restore or replace the system, even if the policy period ends during that time. However, we do not cover this increase if the covered loss is to only the system's sprinkler heads.

"Alternative water system" means a plumbing system and its components, including cisterns and holding tanks, permanently installed on the grounds of your house to supply or reuse non-potable, untreated or partially-treated household wastewater, ground water, or rain water, also called "gray water", for residential watering of the grounds of your house in accordance with your local building codes. Alternative water system does not include a water well.

Coverage for power utility expenses, power utility income, and alternative water expenses applies only if you begin to repair or replace the applicable lost or damaged solar, wind, or geothermal electrical power-generating system or your alternative water system within 180 days of the date of loss, or a later date if agreed to by us.

### **Water detection expense**

We will reimburse you up to \$5,000 for the reasonable cost and installation of a water leak detection and control system following a covered water damage loss to your house shown in the Coverage Summary, to its other permanent structures, or to other property in these structures covered under this policy. This extra coverage applies only if:

- the amount of the covered water damage loss to covered property is \$10,000 or more prior to the application of any applicable deductible;
- the covered water damage loss is caused by a leak or break in a plumbing, heating, or air conditioning system; and
- the installation of a water leak detection and control system was the first time such a system was installed in your house or other permanent structures, which had the covered water damage loss. These payments do not increase the amount of coverage for your house or other permanent structures.

09/25/17

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Illinois Deluxe House Coverage

**Exhibit 1**  
Page B-9

7/24/17 10:34:45

## **Deluxe House Coverage**

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### **Extra Coverages** (continued)

"Water leak detection and control system" means a system in your house or its other permanent structures that monitors:

- areas containing plumbing devices, appliances, and other outlets for a water leak and if detected, closes the main water supply line; or
- unusual water flow patterns or unexpected interior water overflow and if detected, closes the main water supply line.

There is no deductible for this expense.

### **Generator Installation expense**

We will reimburse you for the reasonable cost of labor you incurred, up to \$2,500, to install a "generator system" following a covered water damage loss to your house shown in the Coverage Summary, to its other permanent structures, or to other property in these structures covered under this policy. This extra coverage applies only if:

- the amount of the covered water damage loss to covered property is \$10,000 or more prior to the application of any applicable deductible; and
- the covered water damage loss is caused by frozen pipes or failure of sump pumps due to loss of electrical power.

These payments do not increase the amount of coverage for your house or other permanent structures.

"Generator system" means a generator that can automatically supply backup electricity to maintain operation to critical loads such as a sump pump, heating system, refrigerator or a freezer, and alarms or residential fire sprinkler system, if applicable, for your house or other permanent structures when there is a loss of electrical power.

There is no deductible for this expense.

### **Mold remediation expenses.**

We provide coverage for mold remediation expenses you incur, made necessary by a covered water damage loss to your house shown in the Coverage Summary, or its other permanent structures, or by a covered water damage loss to your contents anywhere in the world if contents coverage is shown in the Coverage Summary for this location. For an occurrence, the maximum amount of coverage for mold remediation expenses is \$10,000, plus any additional amount of coverage shown in the Coverage Summary for mold remediation expenses at this location. These payments do not increase the amount of coverage for your house, other permanent structures, or contents.

"Mold remediation" means the reasonable and necessary costs not otherwise covered for:

- testing the indoor air quality of your house or other permanent structure for mold;
- testing the surfaces and materials of your house, other permanent structure or contents for mold;
- developing a mold remediation plan; and
- implementing that mold remediation plan including the clean up, removal, containment, treatment, or disposal of mold.

**Deluxe House  
Coverage**

**CHUBB**

FILED DATE: 1/29/2021 4:34 PM 2021L001093

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**Extra Coverages**

(continued)

"Mold remediation" also means the reasonable and necessary costs, including the increased cost, not otherwise covered for:

- removing debris solely due to mold; and
- repairing or replacing covered property damaged or removed solely due to mold.

We also provide coverage for temporary relocation expenses you incur, made necessary by mold remediation. For each occurrence, we will pay up to 20% of the total amount of mold remediation expense coverage. There is no deductible for temporary relocation expenses.

"Temporary relocation expenses" means:

- the reasonable increase in your normal living expenses that is necessary to maintain your household's usual standard of living for the reasonable amount of time required to complete mold remediation; and
- the fair rental value of that part of your house rented or held for rental, for the reasonable amount of time required to complete mold remediation, during the period of time it is usually rented.

"Contents" means personal property you or a family member owns or possesses covered by us.

"Mold" means fungi, mold, mold spores, mycotoxins, and the scents and other byproducts of any of these.

We will not make any additional payments for mold remediation expenses or temporary relocation expenses under any other Extra Coverage.

The amount of coverage for mold remediation expenses and temporary relocation expenses for your house is the most we will pay for the sum of all mold remediation expenses and temporary relocation expenses, regardless of the number of covered water damage losses that occur during the policy period.

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**Exclusions**

These exclusions apply to your Deluxe House Coverage, including the Extra Coverages, unless stated otherwise.

The words "caused by" mean any loss that is contributed to, made worse by, or in any way results from that peril.

**Gradual or sudden loss.** We do not provide coverage for the presence of wear and tear, gradual deterioration, rust, bacteria, corrosion, dry or wet rot, or warping, however caused, or any loss caused by wear and tear, gradual deterioration, rust, bacteria, corrosion, dry or wet rot, or warping. We also do not cover any loss caused by inherent vice, latent defect or mechanical breakdown. But we do insure ensuing covered loss unless another exclusion applies.

09/25/17

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Illinois Deluxe House Coverage

7/24/17 10:34:45

**Exhibit 1**  
Page B-11

## **Deluxe House Coverage**

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### **Exclusions**

(continued)

**Contamination.** We do not cover any loss caused by the discharge, dispersal, seepage, migration or release or escape of pollutants. Nor do we cover the cost to extract pollutants from land or water, or the cost to remove, restore or replace polluted or contaminated land or water. But we do cover damage caused by heat, smoke or fumes from a hostile fire. A "hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be. A "pollutant" is any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. A "contaminant" is an impurity resulting from the mixture of or contact of a substance with a foreign substance. "Waste" includes materials to be disposed of, recycled, reconditioned or reclaimed.

**Loss by animals.** We do not cover any loss caused by:

- bats, birds, insects, rodents, mollusks;
  - animals owned or kept by you or a family member; or
  - nesting or infestation, discharge or release of waste products or secretions by any animals.
- However, we do cover loss to glass that is part of a building, storm door, or storm window, and ensuing covered loss unless another exclusion applies.

**Structural movement.** We do not cover any loss caused by the settling, cracking, shrinking, bulging, or expansion of bulkheads, pavements, patios, landings, steps, footings, foundations, walls, floors, roofs, or ceilings except loss to glass that is part of a building, storm door, or storm window. But we do insure ensuing covered loss unless another exclusion applies.

**Special rules for escaping water.** If any of the causes of loss previously described in the exclusions for Gradual or sudden loss, Contamination, Loss by animals, or Structural movement cause water to escape from within a household appliance, swimming pool, or plumbing, heating, or air conditioning system, we cover the loss to covered property caused by the water. We provide this coverage unless an exclusion applies other than the exclusions for Gradual or sudden loss, Contamination, Loss by animals, or Structural movement. This coverage also includes the cost of tearing out and replacing any part of the house or other permanent structure necessary to repair the appliance, swimming pool, or system. We do not cover loss to the appliance, swimming pool, or system itself.

**Freezing water.** We do not cover any loss caused by water freezing in a plumbing, heating, or air conditioning system, or household appliance if the house or other permanent structure is vacant, unoccupied, or being constructed, unless you used reasonable care to maintain heat in the building or shut off and drained the water system or appliance. But we do insure ensuing covered loss unless another exclusion applies.

**Surface water.** We do not cover any loss caused by:

- flood, accumulation of rainwater on the ground, surface water, wave action, including tidal wave and tsunami, tides, tidal water, seiche, overflow of water from a body of water, spray or surge from any of these, even if driven by wind;
- water borne material from any of the above, including when any such waters or water borne material enters and backs up or discharges from or overflows from any sewer or drain, located outside of or on the exterior of a fully enclosed structure, including gutters, rainwater pipes, downspouts, or underground drainage systems;



## **Deluxe House Coverage**

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FILED DATE: 1/29/2021 4:34 PM 2021L001093

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### **Exclusions**

(continued)

- run off of water or water borne material from a paved surface, driveway, walkway, patio, or other similar surface; or
- escape, overflow, discharge or release, for any reason, of water or water borne material from a canal, dam, reservoir, levee, dike, seawall, or any other boundary or containment.

However, we do insure ensuing covered loss due to fire, explosion, or theft unless another exclusion applies.

**Ground water.** We do not cover any loss caused by water or water borne material in the ground, or by its pressure, leakage, or seepage. But we do insure ensuing covered loss due to fire, explosion, or theft unless another exclusion applies.

**Damage to outside structures.** We do not cover any loss caused by freezing, thawing, or the pressure or weight of water, ice, or snow, whether driven by wind or not to any:

- fence, arbor, pavement, patio, landing or step;
- septic system, swimming pool or hot tub including their installed equipment;
- footing, foundation, wall, or any other structure or device, that supports all or part of your house or an other permanent structure;
- retaining wall; or
- pier, wharf, dock or bridge.

However, we do insure ensuing covered loss unless another exclusion applies.

**Fungi and mold.** We do not provide coverage for the presence of mold, however caused, or any loss caused by mold, other than as provided under the Extra Coverage, Mold remediation expenses. But we do cover mold resulting from fire or lightning unless another exclusion applies. "Mold" means fungi, mold, mold spores, mycotoxins, and the scents and other byproducts of any of these.

**Confiscation.** We do not cover any loss caused by the confiscation, destruction, or seizure of property by or under the order of any government or public authority. But if the confiscation, destruction or seizure of property was ordered by any government or public authority to prevent the spread of fire, we do provide coverage if the loss caused by fire would be covered under this part of your policy.

**Computer error.** We do not cover any cost to correct a malfunction, error, or deficiency in programming or instructions to a computer or in the computer itself.

**Neglect.** We do not cover any loss caused by your failure to use all reasonable means to protect property before, at, or after the time of a loss.

**Intentional acts.** We do not cover any loss caused intentionally by a person named in the Coverage Summary, that person's spouse, a family member or a person who lives with you. We also do not cover any loss caused intentionally by a person directed by a person named in the Coverage Summary, that person's spouse, a family member, or a person who lives with you. But we do provide coverage for you or a family member who is not responsible for causing the intentional loss if the intentional loss was due to a pattern of criminal domestic violence and your spouse or family member is criminally prosecuted for the act causing the loss. An intentional act is one whose consequences could have been foreseen by a reasonable person.

09/25/17

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Illinois Deluxe House Coverage

**Exhibit 1**  
Page B-13

7/24/17 10:34:45

## **Deluxe House Coverage**

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### **Exclusions** (continued).

**Faulty planning, construction or maintenance.** We do not cover any loss caused by the faulty acts, errors or omissions of you or any other person in planning, construction or maintenance. It does not matter whether the faulty acts, errors or omissions take place on or off the insured property. But we do insure ensuing covered loss unless another exclusion applies. "Planning" includes zoning, placing, surveying, designing, compacting, setting specifications, developing property and establishing building codes or construction standards. "Construction" includes materials, workmanship, and parts or equipment used for construction or repair.

**Earthquake.** We do not cover any loss caused by earthquake unless shown in your Coverage Summary for that location. But we do insure ensuing covered loss due to fire, explosion, theft, or glass breakage unless another exclusion applies.

**Earth movement.** We do not cover any loss caused by earth movement including volcanic eruptions, landslides, mud flows, and any expansion, contracting, sinking, rising, settling, or shifting of the earth, soil, or land. This exclusion applies whether or not the earth, soil, or land is combined or mixed with water or any other liquid or natural or man-made material. However, we do cover losses caused by the eruption of a volcano when the loss is the result of:

- a volcanic blast or airborne shock waves;
- ash, dust, or particulate matter; or
- lava flow.

We also insure ensuing covered loss due to fire, explosion, theft, or glass breakage unless another exclusion applies.

**Acts of war.** We do not cover any loss caused by war, undeclared war, civil war, insurrection, rebellion, revolution, warlike acts by a military force or personnel, any action taken in hindering or defending against any of these, the destruction or seizure of property for a military purpose, or any consequences of any of these acts regardless of any other direct or indirect cause or event, whether covered or not, contributing in any sequence to the loss. If any act that is within this exclusion involves nuclear reaction, radiation, or radioactive contamination, this Acts of war exclusion supercedes the Nuclear or radiation hazard exclusion.

**Nuclear or radiation hazard.** We do not cover any loss caused by nuclear reaction, radiation, or radioactive contamination, whether controlled or uncontrolled, or any consequence of any of these, regardless of any other direct or indirect cause or event, whether covered or not, contributing in any sequence to the loss. But we do insure ensuing covered loss due to fire resulting from a nuclear reaction unless another exclusion applies.



**Masterpiece®**

**Deluxe Contents  
Coverage**

**CHUBB®**

This part of your Masterpiece Policy provides you with coverage against all risk of physical loss to your contents anywhere in the world unless stated otherwise or an exclusion applies.

"Contents" means personal property you or a family member owns or possesses.

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## **Payment for a Loss**

### **Amount of coverage**

The amount of coverage for contents at each house for each occurrence is shown in the Coverage Summary. At the time of a covered loss, the amount of coverage for contents will be adjusted to include any increase in the United States Consumer Price Index calculated from the beginning of the policy period.

If a change in the amount of coverage for your house is made, including the application of extended replacement cost, the amount of coverage for contents will be adjusted proportionately. To reduce the possibility of being underinsured, you should periodically review your amount of coverage for contents and request an increase if you feel the amount of coverage is insufficient.

For a covered loss to contents, the amount of coverage depends on where the loss occurs:

**At a house with contents coverage.** If the covered loss takes place at a listed house with contents coverage in this policy, we will pay up to the amount of contents coverage for that house, for each occurrence.

**Away from your residences.** If the covered loss takes place away from any residence you own or live at, for each occurrence we will choose the single listed location on which the payment is to be made, based upon the most favorable combination of the following:

- amount of contents coverage
- payment basis
- type of contents coverage

Regardless of the number of policies providing you with contents coverage, payment will be made based only on this chosen location and will not be made under more than one policy.

**At your residence not listed in this policy or other policies.** If the covered loss takes place at a residence you own or live at that does not have contents, condominium, cooperative or renters coverage listed in this or any other policy issued by a direct or indirect subsidiary of Chubb Limited, we will pay up to 10% of the highest amount of contents coverage in this policy, for each occurrence. However, contents in a newly acquired principal residence is not subject to this limitation for the 60 days immediately after you begin to move your contents there.

We will choose the single listed location on which the payment is to be made, based upon the most favorable combination of the following:

- amount of contents coverage
- payment basis
- type of contents coverage

Regardless of the number of policies providing you with contents coverage, payment will be made based only on this chosen location and will not be made under more than one policy.

**Exhibit 1**

05/22/17

**Illinois Deluxe Contents Coverage**

**Page C-1**

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1/08/17 10:21:25

FILED DATE: 1/29/2021 4:34 PM 2021L001093

## Deluxe Contents Coverage

### Payment for a Loss

(continued)

#### Deductibles

A deductible is that amount we will subtract from the amount of a covered loss we pay. Either the base deductible listed in the Coverage Summary or one of the special deductibles applies to each occurrence, unless stated otherwise.

#### Payment basis

Your Coverage Summary indicates the payment basis for contents.

**Replacement cost.** If the payment basis is replacement cost, we will pay the full cost to replace the contents without deduction for depreciation, or the amount required to repair the damage, whichever is less, up to the amount of coverage.

However, for contents which are obsolete or unusable for the purpose for which they were originally intended because of their age or condition, the payment basis will be actual cash value.

**Actual cash value.** If the payment basis is actual cash value, we will pay the cost to replace the contents less depreciation, or the amount required to repair the damage, whichever is less, up to the amount of coverage.

**Pairs, sets, and parts.** For a covered loss to a pair or set, or to part of a larger unit, we will pay whichever is least:

- the cost to repair the damaged property to its condition before the loss;
- the cost to replace it; or
- the cost to make up the difference between its market value before and after the loss.

However, if you agree to surrender the undamaged article(s) of the pair, set, or parts to us and we agree to accept, we will pay you the full replacement cost of the entire pair, set, or parts.

#### Special limits

For a covered loss to each category of contents listed below, we will not pay more than the amount shown. For any one occurrence, payment will be under the category providing you with the most coverage. These special limits do not increase the amount of coverage on your contents or on any item covered elsewhere in this policy.

All loss resulting from any act or any series of similar or related acts:

- committed by any one person or group of persons acting in concert; or
  - in which any person or group of persons is involved or implicated,
- is considered to be one loss, even if a series of similar or related acts occurs over multiple policy periods.

Legal tender, bank notes, stored value cards, bullion, gold, silver, platinum, tokens, unrecoverable scrip, smart cards, prepaid value cards, prepaid debit cards, or gift certificates

\$1,500

Securities, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, passports, or tickets

\$5,000

### Exhibit 1

05/22/17

Illinois Deluxe Contents Coverage

Page C-2

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1/11/17 10:21:25

**Deluxe Contents  
Coverage****CHUBB**

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**Payment for a Loss**

(continued)

This special limit includes the necessary, reasonable expense incurred if you research, replace or restore these items after a covered loss, using the most cost-effective method available.

However, when this property is located in a bank vault or bank safe deposit box, your full contents coverage away from your residences will apply for a covered loss.

Trailers .....	\$5,000
Watercraft, including their furnishings, equipment, and outboard motors .....	\$10,000
Golf carts .....	\$5,000
Jewelry, watches or precious and semi-precious stones, whether set or unset, that are lost, misplaced, or stolen .....	\$5,000
Furs that are lost, misplaced, or stolen .....	\$5,000
Plated ware, silverware, goldware, pewterware, tableware, trays, trophies, and other household and personal articles, other than jewelry, that consist principally of sterling silver, gold, or pewter that are lost, misplaced, or stolen .....	\$10,000
Collectible stamps, coins, and medals .....	\$5,000
However, when this property is located in a bank vault or bank safe deposit box, your full contents coverage away from your residences will apply for a covered loss.	
Guns that are lost, misplaced, or stolen. ....	\$5,000
Grave markers or mausoleums .....	\$5,000

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**Deluxe Contents Coverage**

In Deluxe Contents Coverage, a "covered loss" includes all risk of physical loss to your contents or other property covered under this part of your Masterpiece Policy, unless stated otherwise or an exclusion applies. Exclusions to this coverage are described in Exclusions.

In lieu of the definition for "business" in the Introduction, the following definition of "business" applies:

"Business" means any employment, trade, occupation, profession, or farm operation including the raising or care of animals or any activity intended to realize a benefit or financial gain engaged in on a full-time, part-time or occasional basis.

**Exhibit 1**

05/22/17

**Illinois Deluxe Contents Coverage****Page C-3**

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1/08/17 10:21:25

## **Deluxe Contents Coverage**

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### **Extra Coverages**

In addition to covering the physical loss to your contents, we also provide other related coverages. These coverages are in addition to the amount of coverage for your contents unless stated otherwise or an exclusion applies. All deductibles apply to Extra Coverages unless stated otherwise. Exclusions to these coverages are described in **Exclusions**.

#### **Business property**

We will pay up to \$25,000, unless a greater amount is shown in the Coverage Summary, for a covered loss to business property you own or possess. The same payment basis applies to business property as to contents, except that we will pay the necessary, reasonable cost incurred using the most cost-effective medium for replacing or recreating business data contained in books, records, and software.

"Business property" means:

- furniture, supplies, equipment, inventory;
- books, records; and
- electronic data processing property, used to conduct your business.

"Electronic data processing property" means:

- electronic data processing equipment, and their accessories;
- portable devices such as smartphones, electronic reading devices, tablets, handheld computers or similar devices;
- software; and
- data stored on software.

"Business property" does not include any drones or similar unmanned device, whether used in whole or in part in a business.

#### **Electronic data restoration**

We cover your personal data and electronic contents, stored on your personal computer or electronic data processing property which you own or possess. We will pay up to \$10,000 for the necessary, reasonable expense incurred using the most cost-effective method for replacing or recreating that personal data and electronic contents as a result of a covered loss or the introduction of a computer worm, virus, or other malware. There is no deductible for this coverage.

"Electronic contents" means non-recoverable purchased eBooks, software, application software (apps), music and movie files.

"Electronic data processing property" means:

- electronic data processing equipment, and their accessories;
- portable devices such as smartphones, electronic reading devices, tablets, handheld computers or similar devices;
- software; and
- data stored on software.

## **Deluxe Contents Coverage**

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FILED DATE: 1/29/2021 4 34 PM 2021L001063

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### **Extra Coverages**

(continued)

#### **Account funds**

We will pay up to a total of \$10,000 for the loss of your personal account funds from a financial institution due to the unauthorized use of your personal bankcard, debit card or account numbers, including unauthorized electronic fund transfers. This coverage is afforded only if there has been compliance with the terms for using the account.

All loss resulting from any act or any series of similar or related acts:

- committed by any one person or group of persons acting in concert; or
  - in which any person or group of persons is involved or implicated,
- is considered to be one loss, even if a series of similar or related acts occurs over multiple policy periods.

"Account funds" means funds from any personal account or credit line that you or a family member may access.

"Unauthorized use" means removal of funds from your personal financial institution account without permission from you or a family member. "Unauthorized use" does not mean the removal of funds from your personal financial institution account by your spouse or family member.

#### **Food spoilage**

We cover food or wine while contained in a refrigerator or freezer which spoils due to changes or extremes of temperature caused by:

- off premises power interruption;
- interruption of premises power supply; or
- mechanical or electrical breakdown of refrigeration equipment.

This coverage applies only to spoilage which occurs at any residence you own or live at. This payment does not increase the amount of coverage for your contents. For a covered loss to wine, we will not pay more than \$5,000. Our payment is subject to a \$250 deductible, which is waived if there is another loss:

- from the same occurrence;
- covered under any part of this policy; and
- which is subject to a deductible.

#### **Endangered property**

Covered contents removed from your house because the house is endangered by a covered peril are covered against any peril for up to 90 days. These payments do not increase the amount of coverage for your contents.

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### **Exclusions**

These exclusions apply to your Deluxe Contents Coverage, including the Extra Coverages, unless stated otherwise.

**Exhibit 1**

05/22/17

Illinois Deluxe Contents Coverage

Page C-5

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1/08/17 10:21:25

## **Deluxe Contents Coverage**

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### **Exclusions.**

(continued)

The words "caused by" mean any loss that is contributed to, made worse by, or in any way results from that peril.

**Gradual or sudden loss.** We do not provide coverage for the presence of wear and tear, gradual deterioration, rust, bacteria, corrosion, dry or wet rot, or warping, however caused, or any loss caused by wear and tear, gradual deterioration, rust, bacteria, corrosion, dry or wet rot, or warping. We also do not cover any loss caused by inherent vice, latent defect or mechanical breakdown. But we do insure ensuing covered loss unless another exclusion applies.

**Contamination.** We do not cover any loss caused by the discharge, dispersal, seepage, migration or release or escape of pollutants. Nor do we cover the cost to extract pollutants from land or water, or the cost to remove, restore or replace polluted or contaminated land or water. But we do cover damage caused by heat, smoke or fumes from a hostile fire. A "hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be. A "pollutant" is any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. A "contaminant" is an impurity resulting from the mixture of or contact of a substance with a foreign substance. "Waste" includes materials to be disposed of, recycled, reconditioned or reclaimed.

**Loss by animals:** We do not cover any loss caused by:

- bats, birds, insects, rodents, mollusks;
  - animals owned or kept by you or a family member; or
  - nesting or infestation, discharge or release of waste products or secretions by any animals.
- However, we do cover ensuing covered loss unless another exclusion applies.

**Special rules for escaping water.** If any of the causes of loss previously described in the exclusions for Gradual or sudden loss, Contamination, or Loss by animals cause water to escape from within a household appliance, swimming pool, or plumbing, heating, or air conditioning system, we cover the loss to covered property caused by the water. We provide this coverage unless an exclusion applies other than the exclusions for Gradual or sudden loss, Contamination, or Loss by animals. We do not cover loss to the appliance, swimming pool, or system itself.

**Freezing water.** We do not cover any loss caused by water freezing in a plumbing, heating, or air conditioning system, or household appliance if the house or other permanent structure is vacant, unoccupied, or being constructed, unless you used reasonable care to maintain heat in the building or shut off and drained the water system or appliance. But we do insure ensuing covered loss unless another exclusion applies.

**Surface water.** We do not cover any loss caused by:

- flood, accumulation of rainwater on the ground, surface water, wave action, including tidal wave and tsunami, tides, tidal water, seiche, overflow of water from a body of water, spray or surge from any of these, even if driven by wind;
- water borne material from any of the above, including when any such waters or water borne material enters and backs up or discharges from or overflows from any sewer or drain located outside of or on the exterior of a fully enclosed structure, including gutters, rainwater pipes, downspouts, or underground drainage systems;

**Exhibit 1**

05/22/17

Illinois Deluxe Contents Coverage

Page C-6

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1/28/17 10:21:25



## **Deluxe Contents Coverage**

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FILED DATE: 1/29/2021 4:34 PM 2021L001093

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### **Exclusions**

(continued)

- run off of water or water borne material from a paved surface, driveway, walkway, patio, or other similar surface; or
- escape, overflow, discharge or release, for any reason, of water or water borne material from a canal, dam, reservoir, levee, dike, seawall, or any other boundary or containment.

However, we do insure ensuing covered loss due to fire, explosion, or theft. We also cover surface water damage to contents away from any residence you own or live at, unless another exclusion applies.

**Ground water.** We do not cover any loss caused by water or water borne material in the ground, or by its pressure, leakage, or seepage. But we do insure ensuing covered loss due to fire, explosion, or theft unless another exclusion applies. We also cover ground water damage to contents away from any residence you own or live at, unless another exclusion applies.

**Computer error.** We do not cover any cost to correct a malfunction, error, or deficiency in programming or instructions to a computer or in the computer itself.

**Business property.** We do not cover any loss to business property other than as provided under Extra Coverages.

**Tenant property.** We do not cover any loss to property of roomers, boarders, or other tenants. But we do cover personal property of your guests, domestic workers or relatives while it is on any residence premises shown in the Coverage Summary where you or a family member live, or any other residence you do not own that you or a family member occupy.

**Motorized land vehicles.** We do not cover any loss to a motorized land vehicle. But we do cover motorized land vehicles used solely on and to service a residence premises shown in the Coverage Summary. We also cover motorized land vehicles used to assist the disabled that are not designed for or required to be registered for use on public roads. This exclusion does not apply to golf carts.

**Special exclusions for golf carts.** We do not cover any loss arising out of the ownership or operation of a golf cart when it is:

- subject to motor vehicle registration;
- used to carry people or property for a fee, or rented to others;
- used for any business purpose except if you or a family member is using the golf cart on a golfing facility while entertaining business clients;
- used during instruction, practice, preparation for, or participation in any competitive, prearranged or organized racing, speed contest, rally, gymkhana, sports event, stunting activity, or timed event of any kind; or
- used on a racetrack, test track or other similar course.

We do not cover any loss to a golf cart caused by:

- overheating, or electrical or structural breakdown or failure; or
- repairing, refinishing, renovating, or being worked on, but we do insure ensuing covered loss due to fire or explosion.

**Theft of certain electronic equipment from a motorized land vehicle.** We do not cover any theft or attempted theft of:

- sound or visual reproducing, receiving, displaying and transmitting equipment;
- data processing equipment;

**Exhibit 1**

05/22/17

**Illinois Deluxe Contents Coverage**

**Page C-7**

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1/08/17 10:21:25

## **Deluxe Contents Coverage**

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### **Exclusions.**

(continued)

- global positioning systems;
- scanning monitors, radar and laser detectors; or
- any other similar equipment, including their accessories and antennas from a motorized land vehicle if the equipment is permanently installed or removable from a housing unit permanently installed in the vehicle.

**Repairs and renovations.** We do not cover loss caused by repairing, refinishing, or renovating contents except jewelry, watches, and furs.

**Watercraft accidents.** We do not cover any loss to watercraft, including its trailer, furnishings, equipment and outboard motor, caused by the sinking, swamping, stranding, capsizing, upset or collision of that watercraft or its trailer. But we do cover loss caused by the collision of that watercraft with a land vehicle unless another exclusion applies.

**Dampness or temperature.** We do not cover loss caused by air dampness, water vapor or temperature extremes unless the direct cause of loss is rain, snow, sleet or hail. This exclusion does not apply to the Extra Coverage for Food spoilage.

**Fungi and mold.** We do not provide coverage for the presence of mold, however caused, or any loss caused by mold. But we do cover mold resulting from fire or lightning unless another exclusion applies. "Mold" means fungi, mold, mold spores, mycotoxins, and the scents and other byproducts of any of these.

**Confiscation.** We do not cover any loss caused by the confiscation, destruction, or seizure of property by or under the order of any government or public authority. But if the confiscation, destruction or seizure of property was ordered by any government or public authority to prevent the spread of fire, we do provide coverage if the loss caused by fire would be covered under this part of your policy.

**Breakage of fragile articles.** We do not cover breakage of fragile articles, including any type of: eyeglasses, crystal, china not regularly used, porcelains, figurines, statues, sculptures, mirrors, bric-a-brac and similar items. But we do cover breakage caused by fire, lightning, wind, hail, or smoke (except industrial or agricultural smoke); by explosion, riot, civil commotion, aircraft, or vehicles; by vandalism, malicious mischief, or collapse of a building or part of a building; by earth movement, earthquake, water, theft, or attempted theft; or by the sudden and accidental tearing apart, cracking, burning, or bulging of a plumbing, heating, or air conditioning system or household appliance, unless another exclusion applies.

Fragile articles do not include jewelry, watches, bronzes, cameras, and photographic lenses.

**Personal property insured with other companies.** We do not cover loss to personal property separately described and insured with a specific value or insured on a blanket basis under a personal articles floater policy or similar policy not issued by a direct or indirect subsidiary of Chubb Limited.

**Loss to animals.** We do not cover any loss to animals, birds, or fish.

**Exhibit 1**

05/22/17

**Illinois Deluxe Contents Coverage**

**Page C-8**

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1/28/21 10:21:25



## **Deluxe Contents Coverage**

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FILED DATE: 1/29/2021 4:34 PM 2021L001093

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### **Exclusions** (continued)

**Aircraft.** We do not cover any loss to an aircraft or aircraft parts. "Aircraft" means any device used or designed for flight, except drones or similar unmanned device not used or designed to carry people or cargo.

**Intentional acts.** We do not cover any loss caused intentionally by a person named in the Coverage Summary, that person's spouse, a family member or a person who lives with you. We also do not cover any loss caused intentionally by a person directed by a person named in the Coverage Summary, that person's spouse, a family member, or a person who lives with you. But we do provide coverage for you or a family member who is not responsible for causing the intentional loss if the intentional loss was due to a pattern of criminal domestic violence and your spouse or family member is criminally prosecuted for the act causing the loss. An intentional act is one whose consequences could have been foreseen by a reasonable person.

**Misappropriation.** We do not cover any loss caused by the taking or other misappropriation by or directed by a person named in the Coverage Summary, that person's spouse, a family member, or a person who lives with you. This exclusion does not apply to the taking or other misappropriation by your domestic workers, guests or tenants, unless the misappropriation was directed by a person named in the Coverage Summary, that person's spouse, a family member, or a person who lives with you.

**Faulty planning, construction or maintenance.** We do not cover any loss caused by the faulty acts, errors or omissions of you or any other person in planning, construction or maintenance. It does not matter whether the faulty acts, errors or omissions take place on or off the insured property. But we do insure ensuing covered loss unless another exclusion applies. "Planning" includes zoning, placing, surveying, designing, compacting, setting specifications, developing property and establishing building codes or construction standards. "Construction" includes materials, workmanship, and parts or equipment used for construction or repair.

**Neglect.** We do not cover any loss caused by your failure to use all reasonable means to protect property before, at, or after the time of a loss.

**Acts of war.** We do not cover any loss caused by war, undeclared war, civil war, insurrection, rebellion, revolution, warlike acts by a military force or personnel, any action taken in hindering or defending against any of these, the destruction or seizure of property for a military purpose, or any consequences of any of these acts regardless of any other direct or indirect cause or event, whether covered or not, contributing in any sequence to the loss. If any act that is within this exclusion involves nuclear reaction, radiation, or radioactive contamination, this Acts of war exclusion supercedes the Nuclear or radiation hazard exclusion.

**Nuclear or radiation hazard.** We do not cover any loss caused by nuclear reaction, radiation, or radioactive contamination, whether controlled or uncontrolled, or any consequence of any of these, regardless of any other direct or indirect cause or event, whether covered or not, contributing in any sequence to the loss. But we do insure ensuing covered loss due to fire resulting from a nuclear reaction unless another exclusion applies.

**Exhibit 1**

05/22/17

Illinois Deluxe Contents Coverage

Page C-9

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1/08/17 10:21:25

**Masterpiece®**

**Valuable Articles  
Coverage**

**CHUBB®**

This part of your Masterpiece Policy provides you with coverage against all risk of physical loss to your valuable articles anywhere in the world unless stated otherwise or an exclusion applies.

"Valuable article" means personal property you or a family member owns or possesses for which an amount of coverage is shown in the **Valuable Articles** section of your Coverage Summary.

The following is added to the definitions in the Introduction:

"Spouse" means a partner in marriage or a partner in a civil union recognized under state law.

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## **Payment for a Loss**

### **Amount of coverage**

The amount of coverage for each category of valuable articles, and for each itemized article, is shown in your Coverage Summary.

To help you maintain an appropriate amount of coverage, if itemized jewelry is shown in your Coverage Summary, we increase the amount of coverage for each article of itemized jewelry annually by a percentage based on industry trends for jewelry values plus, if you request, an additional percentage amount.

### **Itemized articles**

For a covered loss to an article listed in your schedule of itemized articles, we will pay as follows:

**Total loss.** If an itemized article is totally destroyed or lost, we will pay the amount of itemized coverage for that article. However, if the market value of the itemized article immediately before the loss exceeds the amount of itemized coverage for that article, we will pay its market value immediately before the loss, up to 150% of the amount of itemized coverage for that article, but not more than the Maximum amount of coverage.

**Partial loss.** If an itemized article is partially lost or damaged, you may choose either of the following:

- If you choose to restore the article, we will pay the costs to restore the article to its condition immediately before the loss up to the amount of itemized coverage for that article. If the article cannot be restored to its condition immediately before the loss, we will pay any loss of market value plus the restoration costs up to 150% of the amount of itemized coverage for that article.
  - If you choose not to restore the article, we will pay any loss of market value, up to 150% of the amount of itemized coverage for that article.
- However, the most we will pay in any one loss is the Maximum amount of coverage.

The loss of market value is determined as follows:

- If the amount of itemized coverage for the article is less than the market value immediately before the loss, we will apply the percentage change to the market value immediately before the loss.
- If the amount of itemized coverage for the article is equal to or greater than the market value immediately before the loss, we will apply the percentage change to the amount of itemized coverage for that article.

"Percentage change" means the change in market value resulting from the covered loss, after restoration if any, expressed as a percentage.

**Exhibit 1**

12/08/14

**Illinois Valuable Articles Coverage**

**Page N-1**

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9/16/14 9:58:25

## Valuable Articles Coverage

### Payment for a Loss

(continued)

**Maximum amount of coverage.** The maximum amount we will pay for a covered loss to one or more itemized articles in any one category of valuable articles is the amount of itemized coverage shown in the Coverage Summary for the applicable category of valuable articles.

**In-vault jewelry.** Itemized jewelry described in the Coverage Summary as "in-vault" must be kept in a bank vault. There is no coverage for these items while they are out of a vault, unless we agree in advance to cover them.

### Blanket coverage

For a covered loss to valuable articles with blanket coverage, we will pay the amount required to repair or replace the property, whichever is less, without deduction for depreciation. If the restored value is less than the market value immediately prior to the loss, we will pay the difference. But we will not pay more than the amount of blanket coverage for that category. And we will not pay more than the blanket limit per item for loss to any one article as shown in the Coverage Summary.

The following valuable articles are eligible for blanket coverage:

**Jewelry.** An article of personal adornment containing gemstones, silver, gold, platinum, or other precious metals or alloys.

**Furs.** Garments made of, trimmed in, or consisting principally of fur.

**Fine arts.** Private collections of paintings, etchings, pictures, tapestries, art glass windows, other bona fide works of art (for example, statues, antiques, rare books and manuscripts, porcelains, rare glass, crystal), and items of historical value or artistic merit.

**Silverware.** Sterling silver, gold, or pewter: plated ware, tableware, trays, trophies, and similar household articles other than jewelry.

**Stamps and coins.** Stamps and/or coins contained in an individually owned stamp and/or coin collection and not owned by dealers or auctioneers. This includes other philatelic property, including books, pages and mountings; and other numismatic property including coin albums, containers, frames, cards and display cabinets used with your collection.

**Musical instruments.** Musical instruments and equipment.

**Cameras.** Cameras, projection machines, films and related equipment.

**Collectibles.** Private collections of rare, unique or novel items of personal interest (for example, dolls, banks, guns, model trains, wine) including memorabilia.

### Pairs, sets, and parts

If the covered loss is to part of a pair or set, or larger unit listed in your schedule of itemized articles, you may choose either of the following:

- If you do not surrender the undamaged article(s) of the pair, set or unit, we will pay the covered loss as a partial loss for the damaged article(s) of the pair, set or unit as previously described under Itemized articles.

Exhibit 1

12/08/14

Illinois Valuable Articles Coverage

Page N-2

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## **Valuable Articles Coverage**

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FILED DATE: 1/29/2021 4:34 PM 2021L001093

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### **Payment for a Loss**

(continued)

- If you agree to surrender the undamaged article(s) of the pair, set or unit to us, we will pay the covered loss as a total loss for that pair, set or unit as previously described under **Itemized articles**.

If the covered loss is to part of a pair or set, or larger unit with blanket coverage we will pay whichever is least:

- the cost to repair the damaged property to its condition before the loss;
  - the cost to replace it; or
  - the difference between its market value immediately before and after the loss.
- If you agree to surrender the undamaged article(s) of the pair, set or unit to us and we agree to accept, we will pay you the full replacement cost of the entire pair, set or unit, as a total loss, subject to the applicable blanket limit per item and amount of blanket coverage for that valuable articles category.

"Replacement cost" means the amount required to repair or replace the pair, set, or unit, whichever is less.

### **Our option**

When we pay for a total loss, we may keep all or part of the damaged property.

### **Recoveries**

If we pay for a covered loss to property and we recover that property, we agree to offer you an opportunity to buy it back. We will offer it to you at no higher an amount than we paid to you for that property.

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## **Valuable Articles Coverage**

In Valuable Articles Coverage, a "covered loss" includes **all risk** of physical loss to valuable articles unless stated otherwise or an exclusion applies. Exclusions to this coverage are described in **Exclusions**.

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## **Extra Coverages**

In addition to covering the physical loss to your valuable articles, we also provide other related coverages. These coverages are in addition to the amount of coverage for your valuable articles unless stated otherwise or an exclusion applies. Exclusions to these coverages are described in **Exclusions**.

### **Newly acquired valuable articles**

For some categories of valuable articles, we automatically cover newly acquired articles that you own if you already have itemized articles shown on the Coverage Summary in that category. The amount of coverage for these articles is described below.

**Exhibit 1**

12/08/14

Illinois Valuable Articles Coverage

Page N-3

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## **Valuable Articles Coverage**

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### **Extra Coverages** (continued)

#### **Fine art on loan or consignment.**

If an amount of coverage for itemized fine arts is shown in your Coverage Summary, we will pay up to 25% of your total itemized coverage for fine arts, but not more than \$1,000,000, for a loss that would be covered under this policy to fine art on loan or consignment to you from a gallery or dealer for up to seven days. This is the most we will pay regardless of the number of fine art articles on loan or consignment involved in the occurrence or the number of policies providing you with coverage for fine arts issued by a direct or indirect subsidiary of the Chubb Corporation. The market value, retail value, or the value on the written sale agreement, whichever is less, of the fine art article(s) on the day you take possession is the amount of coverage for a fine art article at the time of a covered loss.

**Fine arts.** We cover your newly acquired fine arts for 25% of your total itemized coverage for fine arts. But you must request coverage for the newly acquired fine arts within 90 days after you acquire them, and pay the additional premium from the date acquired. We reserve the right not to insure the newly acquired articles after the 90th day.

**Jewelry.** We cover your newly acquired jewelry for 25% of your total itemized coverage for jewelry. But you must request coverage for the newly acquired jewelry within 90 days after you acquire them, and pay the additional premium from the date acquired. We reserve the right not to insure the newly acquired articles after the 90th day.

**Furs, cameras, musical instruments, and collectibles.** We cover your newly acquired furs, cameras, musical instruments, and collectibles for 25% of your total itemized coverage in the same category. But you must request coverage for these newly acquired articles within 90 days after you acquire them, and pay the additional premium from the date acquired. We reserve the right not to insure the newly acquired articles after the 90th day.

#### **Fine art expenses**

As described below, we pay for expenses you incur for defective title and works in progress. These extra coverages apply only if an amount of coverage for fine art, either blanket or itemized, is shown in your Coverage Summary.

**Defective title.** We will pay for reasonable legal costs you incur due to claims made against you for lack of title or defective title to a fine art covered under this policy, of which you were not aware, up to \$100,000 with prior notice to us before incurring any fees or expenses. The most we will pay for all claims for defective title or lack of title during the policy period regardless of the number of claims or the number of articles is \$100,000. This coverage only applies to claims made against you and reported to us during the policy period. This coverage does not apply to defective title or lack of title to a fine art, including legal costs incurred: that were known by you prior to taking possession of the article, or could have been discovered by you by making reasonable and proper inquiries as to the article's provenance before receiving it; to an article that has been sold; to any debt incurred by you from a pledge or lien on the article; or arising from your bankruptcy, insolvency, receivership, liquidation or other financial restructuring or difficulties.

**Exhibit 1**

12/08/14

Illinois Valuable Articles Coverage

Page N-4

## **Valuable Articles Coverage**

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FILED DATE: 1/29/2021 4:34 PM 2021L001093

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### **Extra Coverages** (continued)

**Works in progress.** We cover uncompleted works of art by an artist commissioned by you that are damaged or destroyed by a peril that would be covered under this policy prior to completion or which cannot be completed by the artist due to the artist's death. We will pay for the costs you incurred for the materials or supplies for the artist and the contracted costs for labor up to \$100,000 but not more than the amount of nonrecoverable deposits or the full commission price if prepaid. This is the most we will pay regardless of the number of policies providing you with coverage for fine art issued by a direct or indirect subsidiary of the Chubb Corporation.

#### **Jewelry works in progress**

If an amount of coverage for itemized or blanket jewelry is shown in your Coverage Summary, we cover uncompleted articles of jewelry by a jeweler or designer commissioned by you that are stolen, or damaged or destroyed by a peril that would be covered under this policy, or which cannot be completed by the jeweler or designer due to the death or insolvency of the jeweler or the designer.

We will pay the costs you incurred for the materials or supplies (whether supplied by you or the jeweler or designer, and only if nonrecoverable from the jeweler or designer), the contracted costs for labor, and nonrecoverable deposits, up to \$100,000 in any one occurrence. This is the most we will pay regardless of the number of jewelry articles involved in the occurrence or the number of policies providing you with coverage for jewelry issued by a direct or indirect subsidiary of the Chubb Corporation.

#### **Jewelry on loan or consignment**

If an amount of coverage for itemized jewelry is shown in your Coverage Summary, we will pay up to 25% of your total itemized coverage for jewelry, but not more than \$100,000, for a loss that would be covered under this policy for jewelry articles on loan, on consignment or rented to you from a jeweler for up to seven days. This is the most we will pay regardless of the number of jewelry articles involved in the occurrence or the number of policies providing you with coverage for jewelry issued by a direct or indirect subsidiary of the Chubb Corporation. The retail value of the jewelry article(s) on the day you take possession is the amount of coverage for a jewelry article at the time of a covered loss.

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### **Exclusions**

These exclusions apply to your Valuable Articles Coverage, including the Extra Coverages, unless stated otherwise.

The words "caused by" mean any loss that is contributed to, made worse by, or in any way results from that peril.

**Musical and photographic articles used for profit.** We do not cover any loss to musical instruments, cameras, or related equipment used for profit, except in an incidental business activity that does not have gross revenues in excess of \$15,000 or more in any year and conforms to Local, state and federal laws.

**Exhibit 1**

12/08/14

Illinois Valuable Articles Coverage

Page N-5

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## Valuable Articles Coverage

### Exclusions

(continued)

**Intentional acts.** We do not cover any loss caused intentionally by a person named in the Coverage Summary, that person's spouse, a family member or a person who lives with you. We also do not cover any loss caused intentionally by a person directed by a person named in the Coverage Summary, that person's spouse, a family member, or a person who lives with you. But we do provide coverage for you or a family member who is not responsible for causing the intentional loss if the intentional loss was due to a pattern of criminal domestic violence and your spouse or family member is criminally prosecuted for the act causing the loss. An intentional act is one whose consequences could have been foreseen by a reasonable person.

**Misappropriation.** We do not cover any loss caused by the taking or other misappropriation by or directed by a person named in the Coverage Summary, that person's spouse, a family member, or a person who lives with you. This exclusion does not apply to the taking or other misappropriation by your domestic workers, guests or tenants, unless the misappropriation was directed by a person named in the Coverage Summary, that person's spouse, a family member, or a person who lives with you.

**Gradual or sudden loss.** We do not provide coverage for the presence of wear and tear, gradual deterioration, rust, bacteria, corrosion, dry or wet rot, or warping; however caused, or any loss caused by wear and tear, gradual deterioration, rust, bacteria, corrosion, dry or wet rot, warping; insects or vermin. We also do not cover any loss caused by inherent vice, latent defect or mechanical breakdown. But we do insure ensuing covered loss unless another exclusion applies.

**Confiscation.** We do not cover any loss caused by the confiscation, destruction, or seizure of property by or under the order of any government or public authority. But if the confiscation, destruction or seizure of property was ordered by any government or public authority to prevent the spread of fire, we do provide coverage if the loss caused by fire would be covered under this part of your policy:

**Computer error.** We do not cover any loss caused by an error in computer programming or instructions to the computer.

**Acts of war.** We do not cover any loss caused by war, undeclared war, civil war, insurrection, rebellion, revolution, warlike acts by a military force or personnel, any action taken in hindering or defending against any of these, the destruction or seizure of property for a military purpose, or any consequences of any of these acts regardless of any other direct or indirect cause or event, whether covered or not, contributing in any sequence to the loss. If any act that is within this exclusion involves nuclear reaction, radiation, or radioactive contamination, this Acts of war exclusion supercedes the Nuclear or radiation hazard exclusion.

**Nuclear or radiation hazard.** We do not cover any loss caused by nuclear reaction, radiation, or radioactive contamination, whether controlled or uncontrolled, or any consequence of any of these, regardless of any other direct or indirect cause or event, whether covered or not, contributing in any sequence to the loss. But we do insure ensuing covered loss due to fire resulting from a nuclear reaction unless another exclusion applies.

**Special exclusions for fine arts.** We do not cover any loss to fine arts caused by repairing, restoring, or retouching. We also do not cover any loss to fine arts while exhibited at a national or international art fair or exposition, unless we agree in advance to cover the fine arts.

Exhibit 1

12/08/14

Illinois Valuable Articles Coverage

Page N-6

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## **Valuable Articles Coverage**

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### **Exclusions**

(continued)

**Special exclusions for stamps and coins.** We do not cover any loss to stamps or coins caused by:

- fading, creasing, denting, scratching, tearing, thinning, color transfer, dampness, or temperature extremes; or
- handling or being worked on.

We also do not cover the disappearance of an individual stamp, coin, or other item that is insured as part of a collection unless it is mounted in a volume and the page is also lost.

**Special exclusions for collectibles.** We do not cover any loss to collectibles caused by:

- fading, creasing, denting, scratching, tearing, thinning, color transfer, dampness, change in temperature, or temperature extremes;
- repairing, restoring, retouching or being worked on; or
- use other than as a collectible.

However, we do cover loss to wine caused by change in temperature or temperature extremes due to loss of utility service or premises power supply, or mechanical or electrical breakdown of climate control equipment.

**Exhibit 1**

12/08/14

**Illinois Valuable Articles Coverage**

**Page N-7**

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9/18/14 9:58:25



**Masterpiece®**

**Personal Liability  
Coverage**

**CHUBB®**

This part of your Masterpiece Policy provides you with personal liability coverage for which you or a family member may be legally responsible anywhere in the world unless stated otherwise or an exclusion applies.

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### **Payment for a Loss**

#### **Amount of coverage**

The amount of coverage for liability is shown in the Coverage Summary. We will pay on your behalf up to that amount for covered damages from any one occurrence, regardless of how many claims, homes, vehicles, watercraft or people are involved in the occurrence.

Any costs we pay for legal expenses (see **Defense coverages**) are in addition to the amount of coverage.

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### **Personal Liability Coverage**

We cover damages a covered person is legally obligated to pay for personal injury or property damage which takes place anytime during the policy period and are caused by an occurrence, unless stated otherwise or an exclusion applies. Exclusions to this coverage are described in **Exclusions**.

In lieu of the definition for "you" in the Introduction, the following definition of "you" applies:

"You" means:

- the person named in the Coverage Summary, and a spouse who lives with that person;
- a personal asset protection entity and its partners, members or trustees but only with respect to:
  - their legal responsibility for the ownership, maintenance, or use of a residence premises, contents of such residences other than business property, property insured under a personal articles floater policy or similar policy issued by a direct or indirect subsidiary of Chubb Limited, vacant land, and an individual or family cemetery plot or burial vault;
  - their legal responsibility for the ownership, maintenance, or use of a vehicle or watercraft owned or rented by the personal asset protection entity covered under this part of your Masterpiece policy; and
  - Employment practices liability coverage, if this coverage is shown in the Coverage Summary.

In lieu of the definition for "occurrence" in the Introduction, the following definition of "occurrence" applies:

"Occurrence" means:

- an accident which begins within the policy period resulting in bodily injury, shock, mental anguish, mental injury, or property damage; or
- an offense first committed within the policy period resulting in:
  - false arrest, false imprisonment, or wrongful detention;
  - wrongful entry or eviction;
  - malicious prosecution or humiliation; or
  - libel, slander, defamation of character, or invasion of privacy,to which this insurance applies. Continuous or repeated exposure to substantially the same general conditions unless excluded is considered to be one occurrence.

**Exhibit 1**

05/22/17

**Illinois Personal Liability Coverage**

**Page T-1**

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## **Personal Liability Coverage**

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### **Personal Liability Coverage**

(continued)

In lieu of the definition for "business" in the Introduction, the following definition of "business" applies: "Business" means any employment, trade, occupation, profession, or farm operation including the raising or care of animals or any activity intended to realize a benefit or financial gain engaged in on a full-time, part-time or occasional basis.

A "covered person" means:

- you or a family member;
- any person using a vehicle or watercraft covered under this part of your Masterpiece policy with permission from you or a family member with respect to their legal responsibility arising out of its use;
- any person or organization with respect to their legal responsibility for covered acts or omissions of you or a family member; or
- any combination of the above.

"Personal asset protection entity" means a legal entity that owns or manages residence premises, property of such residences, articles of value such as jewelry, fine art, silverware or collectibles, vacant land, or individual or family cemetery plots or burial vaults.

"Damages" means the sum that is paid or is payable to satisfy a claim settled by us or resolved by judicial procedure or by a compromise we agree to in writing.

"Personal injury" means the following injuries, and resulting death:

- bodily injury;
- shock, mental anguish, or mental injury;
- false arrest, false imprisonment, or wrongful detention;
- wrongful entry or eviction;
- malicious prosecution or humiliation; and
- libel, slander, defamation of character, or invasion of privacy.

"Bodily injury" means physical bodily harm, including sickness or disease that results from it, and required care, loss of services and resulting death.

"Property damage" means physical injury to or destruction of tangible property, and the resulting loss of its use. Tangible property includes the cost of recreating or replacing stocks, bonds, deeds, mortgages, bank deposits, and similar instruments, but does not include the value represented by such instruments.

"Registered vehicle" means any motorized land vehicle not described in "unregistered vehicle".

"Unregistered vehicle" means:

- any motorized land vehicle not designed for or required to be registered for use on public roads;
- any motorized land vehicle which is in dead storage at your residence;
- any motorized land vehicle used solely to service a residence premises shown in the Coverage Summary;
- any motorized land vehicle used to assist the disabled that is not designed for or required to be registered for use on public roads; or
- golf carts.

**Exhibit 1**

05/22/17

Illinois Personal Liability Coverage

Page T-2

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## **Personal Liability Coverage**

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### **Personal Liability Coverage** (continued)

"Employment discrimination" means a violation of applicable employment discrimination law protecting any residential staff based on his or her race, color, religion, creed, age, sex, disability, national origin or other status according to any federal, state, or local statute, regulation, ordinance, or common law of the United States of America, its territories or possessions, or Puerto Rico.

"Employment practices crisis" means:

- an allegation of, or your discovery of, a wrongful employment act committed against any residential staff that is reasonably likely to result in a civil action against you or a family member; or
- a threat by any residential staff to disclose publicly that you or a family member committed or allegedly committed a wrongful employment act.

"Reputation management firm" means:

- a professional public relations consulting firm;
- a professional security consulting firm; or
- a professional media management consulting firm.

"Residential staff" means your or a family member's employee who is:

- employed by you or a family member, or through a firm under an agreement with you or a family member, to perform duties related only to a covered person's domestic, personal, or business pursuits covered under this part of your policy;
- compensated for labor or services directed by you or a family member; and
- employed regularly to work 15 or more hours per week.

Residential staff includes a temporary worker. Residential staff does not include an independent contractor or any covered person.

"Temporary worker" means your or a family member's employee who is:

- employed by you or a family member, or through a firm under an agreement with you or a family member, to perform duties related only to a covered person's domestic, personal, or business pursuits covered under this part of your policy;
- compensated for labor or services directed by you or a family member; and
- employed to work 15 or more hours per week to substitute for any residential staff on leave or to meet seasonal or short-term workload demands for 30 consecutive days or longer during a 6 month period.

Temporary worker does not include an independent contractor or any covered person.

"Wrongful employment act" means any employment discrimination, sexual harassment, or wrongful termination of any residential staff actually or allegedly committed or attempted by you or a family member, while acting in the capacity as an employer, that violates applicable employment law of any federal, state, or local statute, regulation, ordinance, or common law of the United States of America; its territories or possessions, or Puerto Rico. "Sexual harassment" as it relates solely to a wrongful employment act means unwelcome sexual advances, requests for sexual favors, or other conduct of a sexual nature that:

- is made a condition of employment of any residential staff;
- is used as a basis for employment decisions;
- interferes with performance of any residential staff's duties; or
- creates an intimidating, hostile, or offensive working environment.

**Exhibit 1**

05/22/17

Illinois Personal Liability Coverage

Page T-3

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3/08/17 7:31:41

## **Personal Liability Coverage**

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### **Personal Liability Coverage**

(continued)

"Wrongful termination" means:

- the actual or constructive termination of employment of any residential staff by you or a family member in violation of applicable employment law; or
- breach of duty and care when you or a family member terminates an employment relationship with any residential staff.

#### **Defense coverages**

We will defend a covered person against any suit seeking covered damages for personal injury or property damage or for covered damages under Employment practices liability, if Employment practices liability coverage is shown in the Coverage Summary. We provide this defense at our own expense, with counsel of our choice, even if the suit is groundless, false, or fraudulent. We may investigate, negotiate, and settle any such claim or suit at our discretion.

As part of our investigation, defense, negotiation, or settlement we will pay:

- all premiums on appeal bonds required in any suit we defend;
- all premiums on bonds to release attachments for any amount up to the amount of coverage (but we are not obligated to apply for or furnish any bond);
- all expenses incurred by us;
- all costs taxed against a covered person;
- all interest accruing after a judgement is entered in a suit we defend on only that part of the judgement we are responsible for paying. We will not pay interest accruing after we have paid the judgement up to the amount of coverage;
- all prejudgement interest awarded against a covered person on that part of the judgement we pay or offer to pay. We will not pay any prejudgement interest based on that period of time after we make an offer to pay the amount of coverage;
- all earnings lost by each covered person at our request, up to \$50,000;
- other reasonable expenses incurred by a covered person at our request; and
- the cost of bail bonds required of a covered person because of a covered loss.

These Defense coverages are limited for Employment practices liability as follows:

Our duty to defend you or a family member and our obligation to pay defense expenses ends when we have exhausted the amount of coverage per occurrence for Employment practices liability shown in the Coverage Summary by paying for covered damages from any one occurrence, or exhausted the maximum annual amount of coverage for Employment practices liability shown in the Coverage Summary by paying for covered damages, whichever occurs sooner.

In jurisdictions where we may be prevented by local law from carrying out these Defense Coverages, we will pay only those defense expenses that we agree in writing to pay and that are incurred by you.

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### **Extra Coverages**

In addition to covering damages and defense costs, we also provide other related coverages. These coverages are in addition to the amount of coverage for damages and defense costs unless stated otherwise or an exclusion applies. Exclusions to this coverage are described in **Exclusions**.

**Exhibit 1**

05/22/17

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Illinois Personal Liability Coverage

Page T-4

3/18/17 7:31:41

## **Personal Liability Coverage**

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### **Extra Coverages**

(continued)

#### **Medical payments to others**

We will pay the necessary medical expenses, up to a total of \$50,000 for each person, for personal injury to anyone except you or a family member. This coverage also does not apply to:

- a domestic employee of yours;
- any residential staff of yours; or
- a person employed by you for farm work, who is eligible to receive benefits voluntarily provided or required to be provided under any:
  - workers' compensation;
  - disability benefits;
  - unemployment compensation; or
  - other similar laws.

These expenses must be incurred or medically ascertained within three years of an accident that:

- occurs at a residence covered under this part of your Masterpiece policy, to a person with permission from you or a family member to be there;
- arises from a condition at a residence covered under this part of your Masterpiece policy, or at the steps, driveways or sidewalks immediately adjoining this residence;
- was caused by the activities of a covered person;
- was caused by a domestic employee or any residential employee in the course of his or her employment by a covered person;
- was caused by a person employed by you for farm work in the course of his or her employment; or
- was caused by an animal owned by or in the care of a covered person.

"Medical expenses" includes reasonable charges for first aid, medical, funeral, surgical, x-ray, dental, ambulance, hospital, rehabilitation, professional nursing services, and prosthetic devices.

#### **Damaged property**

We cover the replacement cost of other people's property, up to \$25,000 for each occurrence, if the property was damaged or destroyed by a covered person.

"Replacement cost" is the amount required to repair or replace other people's property, whichever is less.

#### **Kidnap expenses**

We will pay up to a maximum of \$100,000 for kidnap expenses a covered person incurs solely and directly as a result of a kidnap and ransom occurrence. In addition, we also will pay up to \$25,000 to any person for information not otherwise available leading to the arrest and conviction of any person(s) who kidnaps you, a family member or a covered relative. The following are not eligible to receive this reward payment:

- you or a family member; or
- a covered relative who witnessed the occurrence.

"Kidnap and ransom occurrence" means the actual or alleged wrongful taking of:

- you;
- one or more family members; or
- one or more covered relatives while visiting or legally traveling with you or a family member; from anywhere in the world except those places listed on the United States State Department Bureau of Consular Affairs Travel Warnings list at the time of the occurrence. The occurrence must include a

**Exhibit 1**

05/22/17

Illinois Personal Liability Coverage

Page T-5

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3/08/17 7:31:41

## Personal Liability Coverage

### Extra Coverages

(continued)

demand for ransom payment which would be paid by you or a family member in exchange for the release of the kidnapped person(s). However, a kidnap and ransom occurrence does not mean the actual or alleged wrongful detention of a covered person or a family member solely on your property.

"Kidnap expenses" means the reasonable costs for:

- a professional negotiator;
- a professional security consultant;
- professional security guard services;
- a professional public relations consultant;
- travel, meals, lodging and phone expenses incurred by you or a family member;
- advertising, communications and recording equipment;
- related medical, cosmetic, psychiatric and dental expenses incurred by a kidnapped person within 12 months from that person's release;
- attorneys fees;
- a professional forensic analyst;
- earnings lost by you or a family member.

However, "kidnap expenses" does not include expenses incurred due to any kidnap and ransom occurrence caused by:

- you or a family member;
- a covered relative;
- any guardian, or former guardian of you or a family member;
- any domestic partner, estranged domestic partner, or former domestic partner of you or a family member;
- any person unrelated to you or a family member who lives with you or has ever lived with you for 6 or more months, other than a domestic employee, residential staff, or a person employed by you for farm work; or
- a civil authority,
- or any person acting on behalf of any of the above, whether acting alone or in collusion with others.

"Covered relative" means the following relatives of the person named in the Coverage Summary, or a spouse who lives with that person, or any family member:

- children, their children or other descendants of theirs;
  - parents, grandparents or other ancestors of theirs; or
  - siblings, their children or other descendants of theirs,
- who do not live with you, including spouses or domestic partners of all of the above. Parents, grandparents and other ancestors include adoptive parents, stepparents and stepgrandparents.

### Identity fraud:

We will pay for a covered person's identity fraud expenses, up to a maximum of \$50,000, for each identity fraud occurrence.

"Identity fraud" means the act of knowingly transferring or using, without lawful authority, a covered person's means of identity which constitutes a violation of federal law or a crime under any applicable state or local law.

"Identity fraud occurrence" means any act or series of acts of identity fraud by a person or group commencing in the policy period.

**Exhibit 1**

05/22/17

Illinois Personal Liability Coverage

Page T-6

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## **Personal Liability Coverage**

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### **Extra Coverages** (continued)

"Identity fraud expenses" means:

- the costs for notarizing affidavits or similar documents for law enforcement agencies, financial institutions or similar credit grantors, and credit agencies;
- the costs for sending certified mail to law enforcement agencies, financial institutions or similar credit grantors, and credit agencies;
- the loan application fees for reapplying for loan(s) due to the rejection of the original application because the lender received incorrect credit information;
- the telephone expenses for calls to businesses, law enforcement agencies, financial institutions or similar credit grantors, and credit agencies;
- earnings lost by a covered person as a result of time off from work to complete fraud affidavits, meet with law enforcement agencies, credit agencies, merchants, or legal counsel;
- the reasonable attorney fees incurred with prior notice to us for:
  - the defense of a covered person against any suit(s) by businesses or their collection agencies;
  - the removal of any criminal or civil judgements wrongly entered against a covered person;
  - any challenge to the information in a covered person's consumer credit report; and
- the reasonable fees incurred with prior notice to us by an identity fraud mitigation entity to:
  - provide services for the activities described above;
  - restore accounts or credit standing with financial institutions or similar credit grantors and credit agencies; and
  - monitor for up to one year the effectiveness of the fraud mitigation and to detect additional identity fraud activity after the first identity fraud occurrence.However, such monitoring must begin no later than one year after you first report an identity fraud occurrence to us.

However, "identity fraud expenses" does not include expenses incurred due to any fraudulent, dishonest or criminal act by a covered person or any person acting with a covered person; or by any authorized representative of a covered person, whether acting alone or in collusion with others.

"Identity fraud mitigation entity" means a company that principally provides professional, specialized services to counter identity fraud for individuals or groups of individuals, or a financial institution that provides similar services.

In addition to the duties described in Policy Terms, Liability Conditions, Your duties after a loss, a covered person shall notify an applicable law enforcement agency.

### **Credit cards, forgery, and counterfeiting**

We cover up to a total of \$10,000 for:

- the legal obligation of you or a family member resulting from:
  - loss or theft of a credit card, bankcard, debit card or their account numbers issued to you or a family member for personal use, provided that all the terms for using the card are complied with;
  - loss caused by theft or unauthorized use of a credit card, bankcard, debit card or their account numbers issued to you or a family member for personal use when used electronically, including use on the Internet, provided that all the terms for using the card are complied with;
- loss to you or a family member caused by:
  - forgery or alteration of checks or negotiable instruments; or
  - acceptance in good faith of any counterfeit paper currency.

**Exhibit 1**

05/22/17

**Illinois Personal Liability Coverage**

**Page T-7**

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3/08/17 7:31:41

## **Personal Liability Coverage**

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### **Extra Coverages**

(continued)

"Unauthorized use" means use of your personal credit card, bankcard, debit card or their account numbers without permission from you or a family member.

"Unauthorized use" does not mean use of your personal credit card, bankcard, debit card or their account numbers: by your spouse or family member.

All loss resulting from any act or any series of similar or related acts:

- committed by any one person or group of persons acting in concert; or
  - in which any person or group of persons is involved or implicated,
- is considered to be one loss, even if a series of similar or related acts occurs over multiple policy periods.

We provide Defense coverages for any claim or suit seeking covered damages against you or a family member for loss; theft, or unauthorized use of a credit card, bankcard, debit card or their account numbers. We have the option to defend a claim or suit against you or a family member for forgery or counterfeiting. Our obligation to defend any suit seeking covered damages ends when our payment under this coverage equals \$10,000.

In the event of a claim or suit seeking covered damages, you or a family member shall comply with the duties described in Policy Terms, Property Conditions, Your duties after a loss and Policy Terms, Liability Conditions, Your duties after a loss. In addition, you or a family member shall notify the credit card service company or the issuing bank.

#### **Rented or borrowed vehicles**

We cover damages a covered person is legally obligated to pay for personal injury and property damage caused by an occurrence during the policy period resulting from a covered person's use of a vehicle:

- rented by; or
  - borrowed, furnished to or made available to
- you or a family member, if the limit of liability shown in the Coverage Summary is \$1 million or more, provided the rental or loan does not exceed 30 days.

We will provide this coverage in excess of any underlying insurance that applies to these damages. If no underlying coverage exists, we will pay total damages up to the limit of liability shown in the Coverage Summary.

This Extra Coverage is not provided when:

- you have coverage provided by an excess or umbrella policy with us or another company;
- you or a family member own a private passenger vehicle, a pickup truck, panel truck or van. However, we will provide this coverage for a vehicle rented by a personal asset protection entity if:
  - the personal asset protection entity does not have coverage for the rented vehicle provided by an excess or umbrella policy with us or another company;
  - the personal asset protection entity does not own a private passenger vehicle, pickup truck, panel truck or van.

This Extra Coverage does not cover damages a covered person is legally entitled to receive from the owner or operator of an uninsured or underinsured motorized land vehicle.

**Exhibit 1**

05/22/17

Illinois Personal Liability Coverage

Page T-8

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3/28/17 7:31:41

FILED DATE: 1/29/2021 4:34 PM 2021L001093



## **Personal Liability Coverage**

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### **Extra Coverages**

(continued)

#### **Fungi and mold**

We cover damages a covered person is legally obligated to pay, up to the amount of coverage for liability shown in your Coverage Summary or \$100,000, whichever is less, for each occurrence, for bodily injury or property damage arising out of mold. "Mold" means fungi, mold, mold spores, mycotoxins, and the scents and other byproducts of any of these. These payments do not increase the amount of personal liability coverage.

#### **Employment practices liability coverage**

If Employment practices liability coverage is shown in the Coverage Summary, we provide coverage for Employment practices liability and Reputational injury.

This coverage applies only if on the effective date of any policy period, the number of residential staff does not exceed twelve. However, if after the effective date of any policy period you or a family member employs more than twelve residential staff, we will cover, through the remainder of the policy period, only those twelve residential staff with the longest period of uninterrupted employment in chronological order of hiring at the time of the Employment practices liability coverage occurrence. This condition does not apply to your or a family member's employment of a temporary worker to substitute for any residential staff on leave, performing the same duties for the same or fewer number of hours. It is your duty to advise us as soon as reasonably possible if you or a family member employs more than twelve residential staff at any time during the policy period in order to reduce the possibility of being underinsured.

**Employment practices liability.** We cover damages you or a family member is legally obligated to pay any residential staff for a wrongful employment act caused by an occurrence when the claim is made or the suit is brought in the United States of America, its territories or possessions, or Puerto Rico, unless stated otherwise or an exclusion applies.

**Amount of coverage for Employment practices liability.** The maximum amount of coverage for Employment practices liability available for any one occurrence is the amount of coverage for Employment practices liability shown in the Coverage Summary. We will not pay more than this amount in any one occurrence for covered damages regardless of how many claims or people are involved in the occurrence.

The maximum annual amount of coverage for Employment practices liability shown in the Coverage Summary is the most we will pay for the sum of all covered damages during the policy period regardless of the number of claims, people, or occurrences.

**Deductible.** A deductible is that amount we will subtract from the amount of covered damages we pay. The deductible shown in the Coverage Summary for Employment practices liability applies to each Employment practices liability occurrence, unless stated otherwise.

**Reputational injury.** We cover the reasonable and necessary fees or expenses that you incur for services provided by a reputation management firm to minimize potential injury to the reputation of you or a family member solely as a result of an employment practices crisis caused by an occurrence if:

- the employment practices crisis is reported to us as soon as reasonably possible but not later than 30 days after the employment practices crisis begins; and

**Exhibit 1**

05/22/17

Illinois Personal Liability Coverage

Page T-9

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3/08/17 7:31:41

## **Personal Liability Coverage**

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### **Extra Coverages**

(continued)

- you obtain approval of the reputation management firm from us before incurring any fees or expenses, unless stated otherwise or an exclusion applies. There is no deductible for this coverage.

**Amount of coverage for Reputational Injury.** The maximum amount of coverage for Reputational injury available for any one occurrence is the amount of coverage for Reputational injury shown in the Coverage Summary. We will not pay more than this amount in any one occurrence for covered damages regardless of how many claims or people are involved in the occurrence.

The maximum annual amount of coverage for Reputational injury shown in the Coverage Summary is the most we will pay for the sum of all covered damages during the policy period regardless of the number of claims, people, or occurrences.

**Condition for Employment practices liability coverage.** The following condition applicable to Employment practices liability coverage is in addition to the General Conditions, Liability Conditions, and Special Conditions described under Policy Terms.

If on the effective date of any policy period the number of residential staff exceeds twelve, your eligibility for Employment practices liability coverage will cease as of that date. If Employment practices liability coverage has been provided, it will be cancelled or nonrenewed at the earliest date allowed by law and an appropriate notice of cancellation or nonrenewal will be issued.

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### **Exclusions**

These exclusions apply to your Personal Liability Coverage, including the Extra Coverages, unless stated otherwise.

**Motorized land vehicles.** We do not cover any damages arising out of the ownership, maintenance, use, loading, unloading, or towing of any motorized land vehicle or any trailers or any watercraft being towed by or carried on any registered vehicle. This exclusion does not apply to unregistered vehicles. However, we do not cover unregistered vehicles designed for recreational purposes off public roads owned by you or a family member if the occurrence takes place off:

- your residence premises;
- the premises where you are temporarily residing or renting for other than business use; or
- vacant land owned by you or rented to you; except for:
  - a toy designed for a child's use that is not subject to motor vehicle registration and is built or modified after manufacture, not to exceed 15 miles per hour on level ground, and is not a motorized bicycle, scooter, or moped;
  - a golf cart when used:
    - on a golfing facility;
    - to cross roads at designated points in a golfing facility; or
    - on roads of your private residential community as authorized by the property owners association.

This exclusion does not apply to any other unregistered vehicle or the Extra Coverage, Rented or borrowed vehicles.

**Exhibit 1**

05/22/17

Illinois Personal Liability Coverage

Page T-10

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## Personal Liability Coverage

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FILED DATE: 1/29/2021 4:34 PM 2021L001093

### Exclusions

(continued)

**Aircraft.** We do not cover any damages arising out of the ownership, maintenance, use, loading, unloading, or towing of any aircraft, except a non-owned aircraft chartered with a professional crew by you or on your behalf.

"Aircraft" means any device used or designed for flight, except drones or similar unmanned device not used or designed to carry people or cargo.

However, with respect to the ownership, maintenance or use of any drones or similar unmanned device, we do not cover any damages:

- while such drone or similar unmanned device is being operated in a restricted airspace as determined by the Federal Aviation Administration or other governmental agency, whether on a local, state or federal level, including any temporary flight restrictions; or
- to any aircraft, including any resulting damages. This exclusion applies whether such drone or similar unmanned device makes contact with the aircraft or not.

**Large watercraft.** We do not cover any damages arising out of the ownership, maintenance, use, loading, unloading, or towing of any watercraft 26 feet or longer or with more than 50 engine rated horsepower owned or controlled, directly or indirectly, by a covered person, or which is rented by, furnished to, or made available to a covered person for longer than 30 consecutive days. We do cover watercraft being stored even if not listed in the Coverage Summary, unless another exclusion applies.

**Hovercraft.** We do not cover any damages arising out of the ownership, maintenance, use, loading, unloading or towing of any hovercraft. We do not cover any property damages to hovercraft rented to, owned by, or in the care, custody or control of a covered person.

**Motorized land vehicle racing or track usage.** We do not cover any damages arising out of the ownership, maintenance or use of any motorized land vehicle:

- during any instruction, practice, preparation for, or participation in, any competitive, prearranged or organized racing, speed contest, rally, gymkhana, sports event, stunting activity, or timed event of any kind; or
- on a racetrack, test track or other course of any kind.

**Watercraft racing or track usage.** We do not cover any damages arising out of the ownership, maintenance or use of any watercraft during any instruction, practice, preparation for, or participation in, any competitive, prearranged or organized racing, speed contest, rally, sports event, stunting activity or timed event of any kind. This exclusion does not apply to sailboat racing even if the sailboat is equipped with an auxiliary motor.

**Workers' compensation or disability.** We do not cover any damages a covered person is legally:

- required to provide; or
- voluntarily provides under any:
  - workers' compensation;
  - disability benefits;
  - unemployment compensation; or
  - other similar laws.

But we do provide coverage in excess over any other insurance for damages a covered person is legally required to pay for bodily injury to a domestic employee of a residence shown in the Coverage Summary which are not compensable under workers' compensation, unless another exclusion applies.

Exhibit 1

05/22/17

Illinois Personal Liability Coverage

Page T-11

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3/08/17 7:31:41

## **Personal Liability Coverage**

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### **Exclusions**

(continued)

**Employees.** We do not cover any damages arising out of acts of employees of a personal asset protection entity except acts in the course of their employment for the maintenance or use of covered property.

**Failure to act.** We do not cover any damages arising out of any act, error, decision, or failure to act or decide by any partner, member or trustee of a personal asset protection entity covered under this policy, other than with respect to damages arising out of the ownership, maintenance, or use of:

- a residence premises, vacant land, and an individual or family cemetery plot or burial vault;
- a vehicle or watercraft owned or rented by the personal asset protection entity covered under this part of your Masterpiece policy.

**Director's liability.** We do not cover any damages for any covered person's actions or failure to act as an officer or member of a board of directors of any corporation or organization.

However, we do cover such damages if you or a family member is:

- an officer or member of a board of directors of a homeowner, condominium or cooperative association; or
- not compensated as an officer or member of a board of directors of a not-for-profit corporation or organization, unless another exclusion applies.

**Damage to covered person's property.** We do not cover any person for property damage to property owned by any covered person.

**Damage to property in your care.** We do not cover any person for property damage to property of others rented to, occupied by, used by, or in the care of any covered person. But we do cover such damages for loss caused by fire, smoke, or explosion unless another exclusion applies.

This exclusion does not apply to property damage:

- to a motorized land vehicle rented to a covered person if the Extra Coverage, Rented or borrowed vehicles applies, or
- as provided under the Extra Coverage, Damaged property.

**Wrongful employment act.** We do not cover any damages arising out of a wrongful employment act. This exclusion does not apply to Employment practices liability coverage if Employment practices liability coverage is shown in the Coverage Summary.

**Discrimination.** We do not cover any damages arising out of discrimination due to age, race, color, sex, creed, national origin, or any other discrimination. This exclusion does not apply to Employment practices liability coverage.

**Intentional acts.** We do not cover any damages arising out of a willful, malicious, fraudulent or dishonest act or any act intended by any covered person to cause personal injury or property damage, even if the injury or damage is of a different degree or type than actually intended or expected. But we do cover such damages if the act was intended to protect people or property unless another exclusion applies. An intentional act is one whose consequences could have been foreseen by a reasonable person. This exclusion does not apply to Employment practices liability coverage.

**Exhibit 1**

05/22/17

Illinois Personal Liability Coverage

Page T-12

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3/08/17 7:31:41

## **Personal Liability Coverage**

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### **Exclusions**

(continued)

**Molestation, misconduct or abuse.** We do not cover any damages arising out of any act by a covered person who directly or indirectly participates in a threatened or actual:

- sexual molestation;
- sexual misconduct or harassment;
- physical or mental abuse; or
- corporal punishment, of any person.

This exclusion does not apply to:

- a covered person who is vicariously liable for the above acts; or
- to Employment practices liability coverage.

**Nonpermissive use.** We do not cover any person who uses a motorized land vehicle or watercraft without permission from you or a family member.

**Business pursuits.** We do not cover any damages arising out of business activities or business property in which a covered person has ownership or other interest or is conducted by or on behalf of a covered person or others.

However, we do cover damages arising out of volunteer work for an organized charitable, religious or community group, an incidental business away from home, incidental business at home, incidental business property, incidental farming, or residence premises conditional business liability, unless another exclusion applies.

"Incidental business away from home" is a self-employed sales activity, or a self-employed business activity normally undertaken by persons under the age of 18 such as newspaper delivery, babysitting, caddying, and lawn care. Either of these activities must:

- not yield gross revenues in excess of \$15,000 in any year;
- have no employees subject to any workers' compensation, disability benefits, unemployment compensation, or other similar laws; and
- conform to local, state, and federal laws.

"Incidental business at home" is a business activity, other than farming, conducted by you in whole or in part on your residence premises which must:

- not yield gross revenues in excess of \$15,000 in any year;
- have no employees subject to any workers' compensation, disability benefits, unemployment compensation, or other similar laws; and
- conform to local, state, and federal laws.

"Incidental business property" is limited to the rental or holding for rental, to be used as a residence, of a condominium or cooperative unit owned by a covered person, an apartment unit rented by a covered person, a one or two family dwelling owned by a covered person, or a three or four family dwelling owned by a covered person and occupied by you. We provide this coverage only for premises listed in the Coverage Summary unless the rental or holding for rental is for:

- a residence of yours that is occasionally rented and that is used exclusively as a residence; or
- part of a residence of yours by one or two roomers or boarders; or
- part of a residence of yours as an office, school, studio, or private garage.

**Exhibit 1**

05/22/17

Illinois Personal Liability Coverage

Page T-13

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3/08/17 7:31:41

## **Personal Liability Coverage**

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### **Exclusions**

(continued)

"Incidental farming" is a farming activity which meets all of the following requirements:

- is incidental to your use of the premises as your residence;
- does not involve employment of others for more than 1,500 hours of farm work during the policy period;
- does not produce more than \$25,000 in gross annual revenue from agricultural operations;
- and with respect to the raising or care of animals:
  - does not produce more than \$50,000 in gross annual revenues;
  - does not involve more than 25 sales transactions during the policy period;
  - does not involve the sale of more than 50 animals during the policy period.

"Residence premises conditional business liability" is limited to business or professional activities when legally conducted by you or a family member at your residence shown in the Coverage Summary. If there is no other valid and collectible insurance, we provide coverage only for personal injury or property damage arising out of the physical condition of that residence if:

- you do not have any employees involved in your business or professional activities who are subject to any workers' compensation, disability benefits, unemployment compensation, or other similar laws; or, if you are a doctor or dentist, you do not have more than two employees subject to such laws; and
- you are a home day care provider whose annual gross revenues from this activity do not exceed \$5,000.

We do not cover damages or consequences resulting from business or professional care or services performed or not performed.

**The following exclusion, Contamination, applies only to "Incidental farming" as described under the exclusion, Business pursuits.**

**Contamination.** We do not cover any actual or alleged damages arising out of the discharge, dispersal, seepage, migration or release or escape of pollutants. Nor do we cover any cost or expense arising out of any request, demand or order to:

- extract pollutants from land or water;
- remove, restore or replace polluted or contaminated land or water; or
- test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants, or in any way respond to or assess the effects of pollutants.

However, this exclusion does not apply if the discharge, dispersal, seepage, migration, release or escape is:

- sudden and accidental; or
- arises out of heat, smoke, or fumes from a hostile fire:

A "hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be. A "pollutant" is any solid, liquid, gaseous or thermal irritant or contaminant, including smoke (except smoke from a hostile fire), vapor, soot, fumes, acids, alkalis, chemicals and waste. A "contaminant" is an impurity resulting from the mixture of or contact of a substance with a foreign substance. "Waste" includes materials to be disposed of, recycled, reconditioned or reclaimed.

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05/22/17

Illinois Personal Liability Coverage

Page T-14

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2/22/17, 7:21:41



## **Personal Liability Coverage**

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### **Exclusions**

(continued)

**Pursuit or holding of public office.** We do not cover any damages arising out of a covered person's pursuit or holding of an elected public office. But we do cover such damages for you or a family member if:

- the annual compensation of the office, whether accepted or not, does not exceed \$20,000; and
- the hours required to perform the duties of the office do not exceed an annual average of 20 hours of work per week during the policy period.

**Financial guarantees.** We do not cover any damages for any covered person's financial guarantee of the financial performance of any covered person, other individual or organization.

**Professional services.** We do not cover any damages for any covered person's performing or failure to perform professional services, or for professional services for which any covered person is legally responsible or licensed.

**Acts of war.** We do not cover any damages caused directly or indirectly by war, undeclared war, civil war, insurrection, rebellion, revolution, warlike acts by military forces or personnel, the destruction or seizure of property for a military purpose, or the consequences of any of these actions.

**Contractual liability.** We do not cover any assessments charged against a covered person as a member of a homeowners, condominium or cooperative association. We also do not cover any damages arising from contracts or agreements made in connection with any covered person's business. Nor do we cover any liability for unwritten contracts, or contracts in which the liability of others is assumed after a covered loss.

**Covered person's or dependent's personal injury.** We do not cover any damages for personal injury for any covered person or their dependents where the ultimate beneficiary is the offending party or defendant. We also do not cover any damages for personal injury for which you or a family member can be held legally liable, in any way, to a spouse, a family member, a person who lives with you, or a person named in the Coverage Summary. We also do not cover any damages for personal injury for which a spouse, a family member, a person who lives with you, or a person named in the Coverage Summary can be held legally liable, in any way, to you or a family member.

However, we do cover damages for bodily injury arising out of the use of a motorized land vehicle for which you or a family member can be held legally liable to a spouse, a family member, or a person named in the Coverage Summary, or for which a spouse, a family member, or any other person named in the Coverage Summary can be held legally liable to you or a family member to the extent that coverage is provided under this part of your Masterpiece policy.

**Liability for dependent care.** We do not cover any damages for personal injury for which a covered person's only legal liability is by virtue of a contract or other responsibility for a dependent's care.

**Illness.** We do not cover personal injury or property damage resulting from any sexually transmitted illness, sickness or disease transmitted intentionally or unintentionally by a covered person to anyone, or any consequence resulting from that illness, sickness or disease. We also do not cover

**Exhibit 1**

05/22/17

Illinois Personal Liability Coverage

Page T-15

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3/02/17 7:31:41

## **Personal Liability Coverage**

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### **Exclusions**

(continued)

any damages for personal injury resulting from the fear of contracting any sexually transmitted illness, sickness or disease, or any consequence resulting from the fear of contracting any sexually transmitted illness, sickness or disease.

**Fungi and mold.** We do not cover any actual or alleged damages arising out of mold, the fear of mold, or any consequences resulting from mold or the fear of mold, other than as provided under the Extra Coverage, Fungi and mold. "Mold" means fungi, mold, mold spores, mycotoxins, and the scents and other byproducts of any of these.

**Liability for the acts of others.** We do not cover any person for damages arising from:

- any entrustment of property;
- the failure to supervise or the negligent supervision of any person; or
- any parental or ownership liability.

This exclusion applies only to damages arising out of the ownership, maintenance or use of any motorized land vehicle, watercraft 26 feet or longer or with more than 50 engine rated horsepower, aircraft, or hovercraft.

This exclusion does not apply to:

- the Extra Coverage, Rented or borrowed vehicles; or
- any other coverage provided under an exclusion in this part of your policy.

**Nuclear or radiation hazard.** We do not cover any damages caused directly or indirectly by nuclear reaction, radiation, or radioactive contamination, regardless of how it was caused.

**The following exclusions, Malicious or criminal acts and Special exclusions, apply solely to Employment practices liability coverage.**

**Malicious or criminal acts.** We do not cover any damages arising out of a willful, malicious, or criminal act or omission by any person whether or not the injuries or damages are actually intended, expected, or foreseeable by a reasonable person. But we do cover such damages if the act was intended to protect people, unless another exclusion applies.

**Special exclusions.** We do not cover the following:

- matters which may be deemed uninsurable according to any federal, state, or local statute, regulation, ordinance, or common law of the United States of America, its territories or possessions, or Puerto Rico under which the policy is construed;
- occurrences arising out of the breach of an actual or implied written or oral agreement related to employment;
- costs incurred to comply with any order, grant, or agreement to provide non-monetary relief; or
- occurrences arising out of any actual or alleged violation of any of the responsibilities, obligations, or duties imposed by the Consolidated Omnibus Budget Reconciliation Act, Employment Retirement Income Security Act of 1974, Fair Labor Standards Act (except the Equal Pay Act), state wage payment and collection laws, Federal Insurance Contributions Act, Immigration Reform and Control Act of 1986, National Labor Relations Act, Occupational Safety and Health Act, Social Security Act, Workers' Adjustment and Retraining Notification Act, including any amendments to these laws, promulgated rules, or regulations or any provisions of any similar federal, state, or local statute, regulation, ordinance, or common law of the United States of America, its territories or possessions, or Puerto Rico.

**Exhibit 1**

05/22/17

Illinois Personal Liability Coverage

Page T-16

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**Masterpiece®**

**Policy  
Terms**

**CHUBB®**

This part of your Masterpiece Policy explains the conditions that apply to your policy.

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## **General Conditions**

These conditions apply to your policy in general, and to each coverage in it.

### **Policy period**

The effective dates of your policy are shown in the Coverage Summary. Those dates begin at 12:01 a.m. standard time at the mailing address shown. Each renewal period shall be for a similar term.

All coverages on this policy apply only to occurrences that take place while this policy is in effect.

### **Renewals**

We or our agent may offer to renew this policy, at the premiums and under the policy provisions in effect at the date of renewal. We can do this by mailing you a bill for the premium to the address shown in the Coverage Summary, along with any changes in the policy provisions or amounts of coverage. You may accept our offer by paying the required premium on or before the starting date of each renewal period.

### **Transfer of rights**

If we make a payment under this policy, we will assume any recovery rights a covered person has in connection with that loss, to the extent we have paid for the loss.

All of your rights of recovery will become our rights to the extent of any payment we make under this policy. A covered person will do everything necessary to secure such rights; and do nothing after a loss to prejudice such rights. However, you may waive any rights of recovery from another person or organization for a covered loss in writing before the loss occurs.

### **Concealment or fraud**

We do not provide coverage if you or any covered person has intentionally concealed or misrepresented any material fact relating to this policy before or after a loss.

### **Application of coverage**

The amount of coverage applies separately to each covered person, but does not increase the amount of coverage for any one occurrence.

### **Duplicate coverages**

If a loss is covered under more than one part of this policy, we will pay you under the part giving you the most coverage, but not under more than one part. However, when both Valuable Articles Coverage and contents coverage are shown in the Coverage Summary, and a loss is covered under both parts, your amount of coverage will equal the combined total of both contents and Valuable Articles Coverage subject to the Contents Special limits and policy provisions. In no event will we make duplicate payments.

### **Assignment**

You cannot transfer your interest in this policy to anyone else unless we agree in writing to the transfer.

**Exhibit 1**

02/08/16

Illinois Policy Terms

Page Y-1

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11/08/15 9:26:44

## **Policy Terms**

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### **General Conditions**

(continued)

#### **Vehicle premium**

If you have vehicle coverage, the premium for the vehicle coverage is based on information we have received from you, your agent, or other sources. If the information is incorrect or incomplete, or changes during the policy period, you must inform us or your agent of any changes as soon as possible regarding:

- your vehicle, including its use;
- the covered persons who regularly use your vehicle, including newly licensed family members; or
- the location where your vehicle is principally garaged.

We may decrease or increase your premium during the policy period based on the corrected, completed, or changed information and we reserve our rights to cancel or to decline to renew.

#### **Policy changes**

This policy can be changed only by a written amendment we issue.

#### **Bankruptcy or Insolvency**

We will meet all our obligations under this policy regardless of whether you, your estate, or anyone else or his or her estate becomes bankrupt or insolvent.

#### **In case of death**

In the event of your death, we cover your legal representative or any person having proper temporary custody of your property until a legal representative is appointed and qualified, but only with respect to your premises and other property covered under the policy at the time of death. We will also cover any member of your household who is a covered person at the time of death.

#### **Liberalization**

We may extend or broaden the coverage provided by this policy. If we do this during the policy period or within 60 days before it begins, without increasing the premium, then the extended or broadened coverage will apply to occurrences after the effective date of the extended or broadened coverage.

#### **Conforming to state law**

If any provision of this policy conflicts with the laws of the state you live in, this policy is amended to conform to those laws.

#### **Conforming to trade sanction laws**

This policy does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance.

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### **Liability Conditions**

These conditions apply to all liability coverages in this policy.

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**Illinois Policy Terms**

**Page Y-2**

## **Policy Terms**

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### **Liability Conditions** (continued)

#### **Other Insurance**

**Vehicles:** When other liability insurance applies to covered damages, we will pay our share. Our share is the proportion that the amount of coverage under this policy bears to the total of all applicable amounts of coverage. However, for non-owned motorized land vehicles, this insurance is excess over any other insurance, except that written specifically to cover excess over the amount of coverage in this policy.

**Personal:** When other liability insurance applies to covered damages, we will pay our share. Our share is the proportion that the amount of coverage under this policy bears to the total of all applicable amounts of coverage.

**Excess:** This insurance is excess over any other insurance except that written specifically to cover excess over the amount of coverage that applies in this policy.

**Additional liability protection.** If you have Masterpiece Personal Liability Coverage or Masterpiece Vehicle Liability Coverage, you are eligible to apply for excess liability protection. The additional protection covers your house, vehicle(s) and other personal exposures under our Masterpiece Excess Liability Coverage. Acceptance is subject to our approval.

When you no longer have at least one of either Masterpiece Personal Liability Coverage or Masterpiece Vehicle Liability Coverage, your eligibility for Masterpiece Excess Liability Coverage will cease as of the nonrenewal date. If Masterpiece Excess Liability Coverage has been provided, it will be nonrenewed at the earliest date allowed by law and an appropriate notice of nonrenewal will be issued.

#### **Your duties after a loss**

In case of an accident or occurrence, the covered person shall perform the following duties that apply:

**Notification.** You must notify us or your agent as soon as possible.

**Assistance.** You must provide us with all available information. This includes any suit papers or other documents which help us in the event that we defend you.

**Cooperation.** You must cooperate with us fully in any legal defense. This may include any association by us with the covered person in defense of a claim reasonably likely to involve us.

**Examination.** A person making a claim under any liability or vehicle coverages in this policy must:

- submit as often as we reasonably require:
  - to physical exams by physicians we select, which we will pay for; and
  - to examination under oath and subscribe the same; and
- authorize us to obtain:
  - medical reports; and
  - other pertinent records.

**Exhibit 1**

02/08/16

Illinois Policy Terms

Page Y-3

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11/08/15 9:28:44

## **Policy Terms**

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### **Liability Conditions**

(continued)

#### **Appeals**

If a covered person, or any primary insurer, does not appeal a judgement for covered damages, we may choose to do so. We will then become responsible for all expenses, taxable costs, and interest arising out of the appeal. However, the amount of coverage for damages will not be increased.

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### **Property Conditions**

These conditions apply to all coverages for damage to property and all coverages for damage to vehicles in this policy.

#### **Other Insurance**

When other property insurance applies to a covered loss, we will pay only the portion of the loss that the amount of coverage under this policy bears to the total amount of insurance covering the loss, except as follows:

**Lease gap coverage:** If Lease gap coverage applies to a covered loss, that coverage is excess over any other insurance.

**Condominiums and Cooperatives:** If there is other insurance in the name of the condominium or cooperative association covering the same property covered by us, our coverage shall be in excess of the other insurance.

**Valuable articles:** If there is other insurance in the name of a consignor, gallery, auction house or museum, covering the same property covered by us, our coverage shall be in excess of a loss covered under the other insurance.

#### **Your duties after a loss**

If you have a loss this policy may cover, you must perform these duties:

**Notification.** You must immediately notify us or your agent of your loss. In case of theft or accident, you must also notify the police or similar competent authority:

**Protect property.** You must take all reasonable means that are necessary to protect property from further loss or damage.

**Prepare an inventory.** You must prepare an inventory of damaged personal property, describing the property in full. It should show in detail the amount insured under this policy, and actual amount of the loss. Attach bills, receipts, and other documents to support your inventory.

**Display property.** You must show us the damaged property when we ask.

**Proof of loss.** You must submit to us your signed, sworn proof of loss providing all information and documentation we request such as the cause of loss, inventories, receipts, repair estimates and other similar records.

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**Illinois Policy Terms**

**Page Y-4**

11/02/15 0-28-11

**Policy  
Terms**

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FILED DATE: 1/29/2021 4:34 PM 2021L001093

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**Property Conditions**

(continued)

**Examination under oath.** We have the right to examine separately under oath as often as we may reasonably require you, family members and any other members of your household and have them subscribe the same. We may also ask you to give us a signed description of the circumstances surrounding a loss and your interest in it, and to produce all records and documents we request and permit us to make copies.

**Loss payment**

We will pay you within 30 days once an agreement with you is reached and you have complied with Your Duties After a Loss conditions.

**Insurable Interest**

We will not pay for any loss to property in which you or a family member does not have an insurable interest at the time of the loss.

If more than one person has an insurable interest in covered property, we will not pay for an amount greater than your interest, up to the amount of coverage that applies.

**Abandoning property**

You cannot abandon any property to us unless we agree to accept it, or to a third party unless we agree.

**Carrier and bailees**

We will not make any payments under this policy to the benefit of any carrier or other bailee of damaged or lost property.

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**Special Conditions**

In the event of conflict with any other conditions of your policy, these conditions supersede.

**Legal action against us**

You agree not to bring legal action against us unless you have first complied with all conditions of this policy. For property, you also agree to bring any action against us within one year after a loss occurs, but not until 30 days after proof of loss has been submitted to us and the amount of loss has been determined, or within one year after the date the loss has been denied in whole or in part.

For liability, you also agree not to bring any action against us until the amount of damages you are legally obligated to pay has been finally determined after an actual trial or appeal, if any, or by a written agreement between you, us and the claimant. No person or organization has any right under this policy to bring us into any action to determine the liability of a covered person.

**Exhibit 1**

02/08/16

Illinois Policy Terms

Page Y-5

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11/08/15 9:28:44

## Policy Terms

### Special Conditions

(continued)

#### Appraisals

If you or we fail to agree on the amount of loss, you or we may demand an appraisal of the loss. Each party will select an appraiser within 20 days after receiving written request from the other. The two appraisers will select a third appraiser. If they cannot agree on a third appraiser within 15 days, you or we may request that the selection be made by a judge of a court having jurisdiction. Written agreement signed by any two of the three appraisers shall set the amount of the loss. However, the maximum amount we will pay for a loss is the applicable amount of coverage even if the amount of the loss is determined to be greater by appraisal. Each appraiser will be paid by the party selecting the appraiser. Other expenses of the appraisal and the compensation of the third appraiser shall be shared equally by you and us. However, we will pay your appraiser's fee and the third appraiser's fee if you demanded the appraisal and the full amount of loss, as set by your appraiser, is agreed to by our appraiser or by the third appraiser. We do not waive our rights under this policy by agreeing to an appraisal.

#### Mortgagee or loss payee

If a mortgagee or loss payee is named in this policy, any loss payable will be paid to the mortgagee or loss payee and you, as interests appear. If more than one mortgagee is named, the order of payment will be the same as the order of precedence of the mortgagees. We cover the interests of the loss payee unless the loss results from fraudulent acts or omissions on your part.

If we deny your claim, that denial will not apply to a valid claim of the mortgagee or loss payee, provided that the mortgagee or loss payee:

- notifies us of any change in ownership, occupancy, or substantial change in risk of which the mortgagee or loss payee is aware;
- pays any premium due under this policy on demand if you have neglected to pay the premium; and
- submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so.

Policy conditions relating to appraisals and legal action against us, apply to the mortgagee and loss payee. If the policy is cancelled or not renewed by us, the mortgagee or loss payee will be notified at least 10 days before the date cancellation or nonrenewal takes effect.

If we pay the mortgagee or loss payee for any loss and deny payment to you, then:

- our rights are subrogated to all rights of the mortgagee or loss payee granted under the mortgage on the property; or
- at our option, we may pay to the mortgagee or loss payee the whole principal on the mortgage plus any accrued interest. In this event, we will receive a full assignment and transfer from the mortgagee or loss payee and all securities held as collateral to the debt.

Subrogation will not impair the right of the mortgagee or loss payee to recover the full amount of the mortgagee's or loss payee's claim.

#### Nonrenewal

If we decline to renew this policy, we will mail such nonrenewal to you at the last known mailing address at least 30 days before the policy ends, with any nonrenewal reasons permitted by law. We will obtain a certificate of mailing. A copy of the notice will also be sent to the last known mortgagee or lienholder named in this policy.

### Exhibit 1

02/08/16

Illinois Policy Terms

Page Y-6

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## **Policy Terms**

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### **Special Conditions**

(continued)

If homeowners or vehicle insurance has been issued by us to you and has been in effect for five or more years, we will not exercise our right of nonrenewal unless:

- this policy was obtained through material misrepresentation, fraudulent statements, omissions, or concealment of fact material to the acceptance of the risk or to the hazard assumed by us; or
- there has been a substantial change in the risk assumed by us since the policy was last issued; or
- willful and negligent acts or omissions by you or your family have substantially increased the hazards insured against.

In addition to reasons above, if vehicle insurance has been issued by us to you and has been in effect five or more years, we will not exercise our right of nonrenewal unless your or any family member driver's license has been suspended or revoked since the last anniversary of the original effective date. If we do not renew for any of the above reasons, you will receive 60 days notice of our intention not to renew as provided in the first paragraph.

### **Your cancellation**

You may cancel this policy or any part of it at any time by returning it to us or notifying us in writing of the future date that the cancellation is to take effect.

### **Our cancellation**

We may cancel this policy subject to the following conditions.

**Within 60 days.** When this policy has been in effect for less than 60 days, we may cancel with 30 days notice for any reason.

**Nonpayment of premium.** We may cancel this policy with 10 days notice if you fail to pay the premium by the due date, regardless of whether the premium is payable to us, or to our agent.

**Misrepresentation.** We may cancel this policy with 30 days notice if the coverage was obtained through misrepresentation, fraudulent statements, or omissions or concealment of a fact that is relevant to the acceptance of the risk or to the hazard we assumed.

**Increase in hazard.** We may cancel this policy with 30 days notice if any act measurably increases the risk originally accepted.

**Other cancellation reasons.** We may cancel this policy for any reason allowed by law.

**Driver's license suspension.** We may cancel this policy, if insuring vehicles, with 30 days notice if your driver's license or that of any other driver who lives with you, or customarily uses your car, has been suspended or revoked during the policy period.

**Valuable Articles Policy.** We may cancel this policy if only insuring valuable articles with 30 days notice for any reason. However, if the reason for cancellation is nonpayment of premium, as described previously, only 10 days notice is required.

### **Procedure**

To cancel this policy, we must notify you in writing. This notice will be mailed to you at the last known mailing address within the timeframes required by law with any cancellation reasons permitted by law. We will obtain a certificate of mailing. This notice will include the date the cancellation is to take effect.

**Exhibit 1**

02/08/16

Illinois Policy Terms

Page Y-7

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**Policy  
Terms**

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**Special Conditions**

(continued)

**Refund**

In the event of cancellation by you or by us, we will refund any unearned premium on the effective date of cancellation, or as soon as possible afterwards. The unearned premium will be computed pro rata for the unexpired term for each part of the policy.

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02/08/16

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Illinois Policy Terms

FORM NO. 7000012

**Exhibit 1**

Page Y-8





## Policy Information Notice

CHUBB

You have certain rights to review and correct or amend information in your file with the producer or the insurer. If you want to know more about this and how information may be disclosed without your prior authorization, please write to:

Chubb Personal Risk Services  
Attention: Policy Information  
202 Halls Mill Road  
P O Box 1600  
Whitehouse Station, New Jersey 08889-1600

Please include your policy number, policy period, and the name and address of your agent or broker.

### Consumer Inquiries

If you have any questions or comments about your insurance policy or coverage, please contact your Chubb agent or broker or us directly at 1-800-PL-CHUBB (1-800-752-4822) from 8:30 a.m. to 4:30 p.m. Eastern Time.

You may write us at:

Chubb Personal Risk Services  
Attention: Policy Information  
202 Halls Mill Road  
P O Box 1600  
Whitehouse Station, New Jersey 08889-1600

If you have any problems with your policy, you may also contact:

Consumer Service Department  
Chubb Group of Insurance Companies  
Sears Tower, Suite 4700  
233 South Wacker Drive  
Chicago, Illinois 60606-6303

Illinois Department of Insurance  
Consumer Services  
320 West Washington Street  
Springfield, Illinois 62767-0001

### Earthquake Coverage

Earthquake coverage may be available for an additional premium when you have Deluxe House Coverage with Deluxe Contents Coverage or no contents coverage, or City Home House Coverage with City Home Contents Coverage or no contents coverage.

### Automobile Deductible Notice

A premium savings could result if a higher deductible is chosen for collision and comprehensive coverage on your personal automobile policy.

For further information about this coverage, please contact your Chubb agent or broker.

If you need to report a claim and have been unable to contact your agent, broker, or local Chubb Office, you can call this telephone number for further assistance.

1-800-252-4670

05/22/17

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Illinois Policy Information Notice

1/08/17 10:28:14

Exhibit 1

**Masterpiece®**

**Coverage Update**

**CHUBB®**

**Name and address of Insured**

KENNETH A. & AMY WEXLER  
C/O NICOLE FONDRIE  
17821 LASSEN ST APT 332  
NORTHRIDGE, CA 91325

**Page 1**

**Effective Date** 12/4/18

**Policy no.** 11468976-09

**Issued by** Chubb National Insurance Company  
a stock insurance company  
incorporated in Indiana

**Policy period** 9/1/18 to 9/1/19

**If you have any questions, please contact**  
AON PRIVATE RISK MANAGEMENT INSURANCE  
AGENCY, INC.  
13901 SUTTON PARK,S,C360  
JACKSONVILLE, FL 32224  
866.225.5266

Based on information provided by you, your agent or broker, or due to information obtained about your insured property, we have revised your Chubb Masterpiece Policy. The changes are shown below. To keep your records up to date, please attach this update to your existing policy.

Your premium will not change for this revision.

---

**MAILING ADDRESS HAS BEEN CHANGED.**

**FROM**

KENNETH A. & AMY WEXLER  
C/O NICOLE FONDRIE  
55 WEST MONROE ST, STE 3300  
CHICAGO, IL 60603

**TO**

KENNETH A. & AMY WEXLER  
C/O NICOLE FONDRIE  
17821 LASSEN ST APT 332  
NORTHRIDGE, CA 91325

As the duly authorized representative of the company my signature validates this policy.



---

Paul N. Morrisette  
Authorized representative

**Exhibit 1**

**Masterpiece®**

**CHUBB**

**Coverage Update**

**Name and address of Insured**

KENNETH A. & AMY WEXLER  
C/O NICOLE FONDRIE  
55 WEST MONROE ST, STE 3300  
CHICAGO, IL 60603

**Page 1**

**Effective Date** 3/26/19

**Policy no.** 11468976-09

**Issued by** Chubb National Insurance Company  
a stock insurance company  
incorporated in Indiana

**Policy period** 9/1/18 to 9/1/19

**If you have any questions, please contact**  
AON PRIVATE RISK MANAGEMENT INSURANCE  
AGENCY, INC.  
13901 SUTTON PARK,S,C360  
JACKSONVILLE, FL 32224  
866.225.5266

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Your premium will not change for this revision.

---

**MAILING ADDRESS HAS BEEN CHANGED.**

**FROM**

KENNETH A. & AMY WEXLER  
C/O NICOLE FONDRIE  
17821 LASSEN ST APT 332  
NORTHRIDGE, CA 91325

**TO**

KENNETH A. & AMY WEXLER  
C/O NICOLE FONDRIE  
55 WEST MONROE ST, STE 3300  
CHICAGO, IL 60603

As the duly authorized representative of the company my signature validates this policy.



---

Paul N. Morrisette  
Authorized representative

**Exhibit 1**

**Masterpiece®**

**Additional Interests  
Update**

**CHUBB**

**Name and address of Insured**

KENNETH A. & AMY WEXLER  
C/O NICOLE FONDRIE  
55 WEST MONROE ST, STE 3300  
CHICAGO, IL 60603

**Page 1**

**Effective Date** 6/11/19

**Policy no.** 11468976-09

**Issued by** Chubb National Insurance Company  
a stock insurance company  
incorporated in Indiana

**Policy period** 9/1/18 to 9/1/19

**If you have any questions, please contact**  
AON PRIVATE RISK MANAGEMENT INSURANCE  
AGENCY, INC.  
13901 SUTTON PARK,S,C360  
JACKSONVILLE, FL 32224  
866.225.5266

As requested, we have revised your Additional Interests as shown below. To keep your records up to date, please attach this update to your existing policy.

We notify each Additional Interest separately when they are added to your policy. Regardless of the number of Additional Interests shown on your policy, the amount of coverage for any one occurrence does not increase.

Your premium will not change for this revision.

---

**Mortgagee**

This section shows the changes in your Mortgagee information.

HOUSE AT  
468 LAKESIDE TERRACE  
GLENCOE, IL

**Mortgagee**

---

**Deleted** JPMORGAN CHASE BANK NA  
ITS SUCCESSORS AND/OR ASSIGNS ATIMA  
PO BOX 47020  
DORAVILLE, GA 30362  
Loan Number 1100217244

**Mortgagee**

---

**Deleted** JPMORGAN CHASE BANK, N.A.  
ISAOA/ATIMA  
312 S. FOURTH STREET FLOOR 5  
LOUISVILLE, KY 40202  
Loan Number 60301001502200

**Exhibit 1**

**Masterpiece®**

**Additional Interests  
Update**

**CHUBB**

**Name and address of Insured**

KENNETH A. & AMY WEXLER  
C/O NICOLE FONDRIE  
55 WEST MONROE ST, STE 3300  
CHICAGO, IL 60603

**Page 1**

**Effective Date 8/1/19**

**Policy no. 11468976-09**

**Issued by Chubb National Insurance Company**  
a stock insurance company  
incorporated in Indiana

**Policy period 9/1/18 to 9/1/19**

**If you have any questions, please contact**  
**AON PRIVATE RISK MANAGEMENT INSURANCE**  
**AGENCY, INC.**  
13901 SUTTON PARK,S,C360  
JACKSONVILLE, FL 32224  
866.225.5266

As requested, we have revised your Additional Interests as shown below. To keep your records up to date, please attach this update to your existing policy.

We notify each Additional Interest separately when they are added to your policy. Regardless of the number of Additional Interests shown on your policy, the amount of coverage for any one occurrence does not increase.

Your premium will not change for this revision.

---

**Trust**

This section shows the changes in your home Trust information.

HOUSE AT  
468 LAKESIDE TERRACE  
GLENCOE, IL

**OLD TRUST**

**Changed**

KENNETH A WEXLER & AMY BRENT  
WEXLER  
1996 TRUST  
468 LAKESIDE TERRACE  
GLENCOE, IL 60022

Applicable to: Property and Liability

**NEW TRUST**

AMY BRENT WEXLER AS TRUSTEE OF  
THE AMY  
BRENT WEXLER 1996 DECLARATION OF  
TRUST  
468 LAKESIDE TERRACE  
GLENCOE, IL 60022

Applicable to: Property and Liability

**Exhibit 1**

Return Date: No return date scheduled  
Hearing Date: No hearing scheduled  
Courtroom Number: No hearing scheduled  
Location: No hearing scheduled



557 West Polk Street, Suite 201  
Chicago, IL 60607  
312.447.1200 p  
312.447.0922 f  
www.egsl.com w

## Indoor Air Quality (IAQ) Report

468 Lakeside Terrace, Glenroe, Illinois 60022

Belfor Job No. 02-0007783

EGSL Project No. 1902217



<b>Prepared for:</b>	<b>Prepared by:</b>
Daniel Correa	Michelle Budniak
<i>Belfor Property Restoration</i>	<i>Project Manager</i>
650 Anthony Trail B	
Northbrook, Illinois 60062	February 8, 2019

FILED  
1/29/2021 4:34 PM  
IRIS Y. MARTINEZ  
CIRCUIT CLERK  
COOK COUNTY, IL  
2021L001093

12033524

February 8, 2019

IAQ Report: 1902217- 468 Lakeside Terrace, Glencoe, Illinois 60022

### Executive Summary

On February 7, 2019, *Environmental Group Services, Limited* (EGSL) performed a visual inspection, moisture survey, and Bioaerosol air sampling within the single family residential structure located at 468 Lakeside Terrace, Illinois. The investigation was conducted following accepted industry standards set forth in IICRC S520.

The inspection was performed to determine the presence of mold species after a water intrusion event originating in the bathroom plumbing on the first and second floors that occurred several days prior to this inspection.

The analytical results of the Bioaerosol air sampling indicated that all of the samples collected from the affected areas of the first and second floors exceeded the Background (outside) sample concentration. Additionally, the samples collected from the first floor office and the second floor bedroom contained mold species associated with water-damaged building materials (*Stachybotrys sp.*, and/or *Chaetomium sp.*).

The analytical results, as well as recommendations for improving indoor air quality are provided in this report.

### Site Investigations

EGSL performed the site investigation on February 7, 2019. The dwelling was occupied and contained amenities and items typically found in a residential dwelling. The occupants of the dwelling reported that leaking plumbing fixtures located on the first and second floors burst several days prior. The affected rooms included the kitchen, living room, office, and bathroom on the first floor, as well as the bedroom and bathroom located directly above on the second floor.

At the time of the site investigation, the ceiling of the kitchen, living room, and office on the first floor exhibited water damaged or water stained drywall. Cuts had been made to areas in the kitchen ceiling and to the walls in the hallway outside of the bathroom to exposed affected plumbing lines. Hardwood floor located in the affected areas of the first floor appeared to be warped and buckling due to water damage. No water staining or water damage was observed in the second floor bedroom or the adjoining bathroom.

Aside from the aforementioned observations, EGSL did not note any musty or moldy odors, or residual water damage. The premises appeared to clean and well maintained.

*See Appendix A for complete Photographic Documentation. The investigation was conducted per the recommendations set forth in the EPA publication "Mold Remediation in Schools and Commercial Buildings".*





February 8, 2019

IAQ Report: 1902217- 468 Lakeside Terrace, Glencoe, Illinois 60022

**Moisture and Humidity**

Mold problems arise when an excess amount of moisture is present. Whether it is a leaking pipe, poor building structure, or even humidity problems, mold growth can occur if the source of moisture is not eliminated. All building materials, whether it is drywall, cement, or wood, have a different acceptable moisture limit (as referenced by the EPA publication "Mold Remediation in Schools and Commercial Buildings, Table 1").

According to the *Illinois Department of Public Health Guidelines for Indoor Air Quality*, "There is no "ideal" humidity level and temperature suitable for all building occupants. Many factors, such as personal activity and clothing may affect personal comfort. Acceptable relative humidity levels should range from 20 percent – 60 percent year-round, as recommended by the EPA. Levels less than 20 percent in the winter and greater than 60 percent in the summer should be considered unacceptable. Elevated relative humidity can promote the growth of mold, bacteria, and dust mites, which can aggravate allergies and asthma. To achieve maximum occupant comfort, relative humidity should be maintained between 30 percent – 50 percent. Relative humidity is defined as at a given temperature, it is the amount of water vapor in the air compared to the maximum amount of water vapor air could hold at that temperature."

The following relative humidity and temperature readings were observed:

Location	Relative Humidity (%)	Temperature (°F)
1 <sup>st</sup> Floor Kitchen	28.9	72.6
1 <sup>st</sup> Floor Office	33.6	72.5
2 <sup>nd</sup> Floor Bedroom	27.3	71.9

**Moisture Level Investigation**

EGSL utilized a *Tramex Moisture Encounter Plus*, a non-destructive moisture detection instrument, to determine whether elevated levels of moisture content were present within the building materials of the affected area. The *Tramex Moisture Encounter Plus* penetrates material to a depth of 30 mm (1 ¼ inches). The instrument can be utilized to test wood, drywall, roofing, plaster, and brick. Furthermore, the instrument can also be used for the detection of elevated moisture in or behind a range of covering materials such as ceiling tiles, siding, ceramic tiles, and laminated flooring. Comparative readings are taken from an unaffected area, in order to act as controls for the affected area(s).

EGSL determined that elevated moisture was exhibited in various building materials located on the first floor in the kitchen, office, and hallway (drywall, hardwood floor. *The photographic documentation of the moisture readings is located in Attachment A.*



February 8, 2019

IAQ Report: 1902217- 468 Lakeside Terrace, Glencoe, Illinois 60022

**Bioaerosol Sampling Methods**

On February 7, 2019, three (3) Bioaerosol air samples were collected from within the first floor (kitchen and office) and the second floor bedroom. In addition, one (1) sample was collected from outside the structure, for comparison purposes, hereafter referred to as the Background sample. The samples were obtained using high volume pumps calibrated at 15 liters/minute and Air-O-Cell cassettes. The samples were collected for a period of 10 minutes. The cassettes, with a proper chain of custody, were submitted for analysis of Total Fungal Count to *Biogenesis Analytical, Inc.*, an AIHA accredited laboratory of Chicago.

All samples were obtained according to the manufacturer's instructions and in compliance with industry standards.

**Bioaerosol Analytical Results**

The analytical results of the Bioaerosol air sampling, as summarized in Table 1, indicated that all of the samples collected from the affected areas of the first and second floors exceeded the Background (outside) sample concentration. Additionally, the samples collected from the first floor office and the second floor bedroom contained mold species associated with water-damaged building materials (*Stachybotrys sp.*, and/or *Chaetomium sp.*).

The complete analytical data and microscopic photographic documentation can be found in Attachment B.

Table 1: Mold Spore Analysis: Air-O-Cell Cassettes – February 7, 2019

Sample ID	Location	Total Mold Concentration (count/m <sup>3</sup> )	Above/Below Background Concentration
AOC-1	First Floor Kitchen	610	Above
AOC-2	First Floor Office	743*	Above
AOC-3	Second Floor Bedroom	324*~	Above
BG-1	Outside (Background)	267	Not applicable

\*Denotes presence of *Stachybotrys sp.*, a water-damage indicator.

~Denotes the presence of *Chaetomium sp.*, a water-damage indicator.

**Recommendations**

Based on visual observations, moisture readings, and the analytical results of the Bioaerosol sampling described above, EGSL recommends the following action within the affected areas of the first floor:

- ✓ All sources of water intrusion must be identified and eliminated prior to commencing any remedial action. Special attention should be paid to the plumbing fixtures running along the ceilings.

February 8, 2019

IAQ Report: 1902217- 468 Lakeside Terrace, Glencoe, Illinois 60022

- A plumbing contractor should be consulted to determine whether there are active leaks in the ceiling pipes in the affected rooms.
- ✓ All remediation workers should have type "A" respirators equipped with HEPA filters, Tyvek suits and gloves for worker protection. Furthermore, a moisture reader should be utilized during the remediation process, in order to ensure that all areas of drywall exhibiting elevated moisture content are removed.
- ✓ All remediation efforts should be conducted following the recommendations set forth by IICRC S520 and the EPA recommendations
- ✓ All HVAC systems supplying the contained affected areas should be shut off during remediation.
- ✓ A negative pressure containment equipped with the appropriate amount of HEPA filter air scrubbers should be erected during the entire remediation process and for at least 48 hours after remediation is complete. The air scrubbers with HEPA filters will filter 99.9% of particles in the air larger than 0.3 microns in diameter. **The containment should include all areas where remediation/building material removal will occur. EGSL recommends that at a minimum, the containment should include the kitchen, living room, office, bathroom, and the hallway adjoining these rooms on the first floor.** The containments may need to be adjusted depending the extent of visible mold growth (if encountered) and/or elevated moisture content.
- ✓ Moveable furniture, appliances, and items should be HEPA vacuumed, then sealed in polyethylene sheeting and removed from the containment prior to the start of remediation. These items should be professionally cleaned or discarded.
- ✓ All drywall within the containment areas exhibiting water damage, visible mold growth, and elevated moisture content should be cut, removed, discarded and replaced. If visible mold exists on the interior side of the drywall, the drywall should be cut in increments of one foot until no further visible mold exists. If insulation exists behind the affected drywall, it should be removed, discarded and replaced.
- ✓ Studs/joists/framing behind affected drywall or exhibiting mold growth:
  - If metal, should be HEPA vacuumed and wiped clean with an EPA approved moldicide/moldistat solution.
  - If wood, should be sanded clean (with HEPA attachment), then wiped clean with an EPA approved moldicide/moldistat solution.
- ✓ The water damaged hardwood flooring should be cut, removed, and discarded.

February 8, 2019

IAQ Report: 1902217- 468 Lakeside Terrace, Glencoe, Illinois 60022

- ✓ All wall and ceiling cavities should be thoroughly HEPA vacuumed and wiped clean with an EPA approved moldicide/moldistat solution. A moldicide encapsulating product such as *Kilz* or equivalent may be applied to surfaces within the wall cavities.
- ✓ Dessication equipment should be deployed in the hallway outside the bathroom to reduce the moisture content of the wall behind the tiled surface of the shower.
- ✓ All remaining hard surfaces within the containments should HEPA vacuumed and wiped clean with an EPA approved moldicide/moldistat solution.
- ✓ If clearance bioaerosol sampling is desired, air scrubbers should be turned off for at least 24 hours before sampling.

EGSL also recommends the following action within the affected areas of the second floor:

- ✓ HEPA filter air scrubbers should be deployed in the bedroom during the entire remediation process and for at least 48 hours after remediation is complete. The air scrubbers with HEPA filters will filter 99.9% of particles in the air larger than 0.3 microns in diameter
- ✓ Hard surfaces located throughout the bedroom should be HEPA vacuumed and wiped clean with an EPA approved moldicide/moldistat solution.
- ✓ Moveable fabric textile items should be machine washed or professionally cleaned. Upholstered items such as furniture or carpeting should be HEPA vacuumed and professionally cleaned.

February 8, 2019

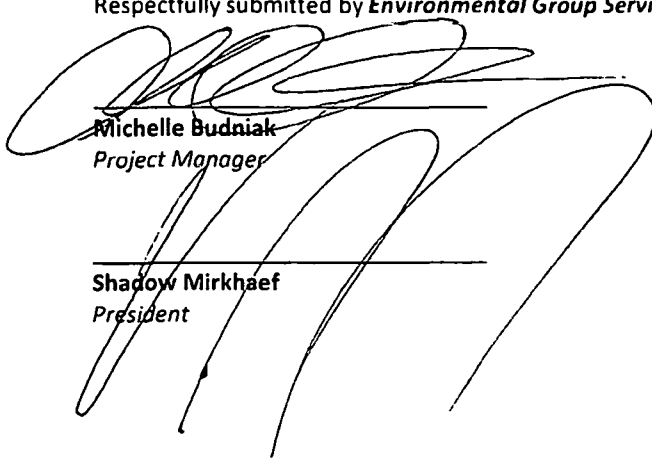
IAQ Report: 1902217- 468 Lakeside Terrace, Glencoe, Illinois 60022Limitations

The analytical results of the tests performed reflect the condition of the aforementioned location at the time of sampling only. While there is no practical way to eliminate all mold and mold spores in the indoor environment, mold counts can be kept within acceptable levels. However, a number of events can cause mold spores to reappear in elevated levels. The way to control indoor mold growth is to control moisture. Humidity levels must be kept within normal ranges (20-60%). Indoor humidity can be reduced by venting bathrooms, dryers, and other moisture-generating sources to the outside; using air conditioners and dehumidifiers; increasing ventilation; and using exhaust fans whenever cooking, dishwashing, and cleaning. If a water intrusion event occurs, any wet or damp building materials/furnishings should be cleaned and dried within 24-48 hours to prevent mold growth.

This assessment presents EGSL's professional interpretation and judgment of the existing site conditions based on information gathered. Professional judgments expressed on facts currently available within the limits of the mutually agreed scope of work, budget and schedule. It is not intended to be exhaustive in scope. EGSL's work was performed in accordance with generally accepted engineering standards. However, the cost information presented herein cannot be construed as engineering estimates. It is EGSL's specific intent that the costs, conclusions and recommendations presented here be used as guidance and not necessarily as a firm course of action unless explicitly stated as such. WE MAKE NO WARRANTIES, EXPRESSED OR IMPLIED INCLUDING WITHOUT LIMITATION, WARRANTIES AS TO MARKETABILITY OR FITNESS FOR A PARTICULAR PURPOSE. In addition, the information provided in this report is not to be construed as legal advice.


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Respectfully submitted by *Environmental Group Services Limited*,



Michelle Budniak  
Project Manager

Shadow Mirkhaef  
President



egsl

Page 7

Exhibit 2

February 8, 2019

IAQ Report: 1902217- 468 Lakeside Terrace, Glencoe, Illinois 60022

#### **DISCLAIMER**

With regard to Indoor Air Quality (IAQ), and consequent mold and fungal growth, within private residences, office buildings, and other large facilities, *Environmental Group Services, Ltd.* (EGSL) performs various functions in order to identify and possibly remedy a potential IAQ problem. These involve completing building walkthroughs and investigations, performing Bioaerosol sampling, which includes taking air samples and source samples, determining from where the moisture problem originates, and what course of action will follow to eliminate the source.

In the past, EGSL has represented our clients including building owners, large companies, individuals, and officials in any disagreement or legal proceedings that may arise, as EGSL is confident in our abilities to accurately assess the indoor air quality of any building, using our trained judgment, sampling methods, and extensive experience. The ultimate goal of any and all remediation programs should be the removal of microbial growth in its entirety. It is therefore EGSL's assertion that a full investigation into any possible microbial growth issue will yield a suitable cleaning plan whose intent is to remove all foreign material from the area.

However, due to the fact that the mold and fungi field mold is constantly changing and is somewhat unpredictable, EGSL has instituted a Statute of Limitations of one year on its recommendations and conclusions. After one year, the reports should be considered null and void.

#### **AIR-O-CELL: GENERAL INFORMATION**

The Air-O-Cell Cassette was designed with one concept in mind - rapid and reliable sample collection of a wide range of airborne aerosols using an economical and easy-to-use cassette. Attached to an air-sampling pump, the Air-O-Cell Cassette can be used to collect particles such as: mold spores, pollen, inorganic dust skin cells, insects, plant fragments, fibers, asbestos, fiberglass, cellulose, ceramics fly, and ash. This small sealed filter cassette contains a special high-tack adhesive sampling medium on a slide inside the cassette that permanently fixes particles for easy sampling, transportation, and analysis. Ready-to-use, Air-O-Cell can handle the smallest and toughest of sampling situations without the danger of losing or cross-contaminating samples.

The Air-O-Cell Cassette operates on the principle of inertial impaction. Particles in the air stream are accelerated to a minimum velocity of 30 to 35 mph through the cassette's tapered slit. Below the slit is a slide coated with a sticky, optically clear sampling medium. The airflow is aimed directly at the sampling medium and then forced to make a sharp 90-degree turn at the surface of the slide. The velocity, combined with the mass of the particles in the air stream, causes the particles (up to 2 microns) to impact and adhere to the sampling medium on the slide instead of following the air stream to the exit at the back of the cassette. Identification of the sample can be performed directly on the collection medium (see operating instructions for details). The sticky surface prevents the sample from running together or being washed off during the staining processes and eliminates sample loss from vibration during sampling and shipment. The medium may be permanently mounted for archival review.



February 8, 2019

IAQ Report: 1902217- 468 Lakeside Terrace, Glencoe, Illinois 60022

The Air-O-Cell sampling cassette operates at flow rates of 5 to 30 L/min, with an optimum flow rate of 15 L/min. Lower flow rates may result in a loss of particles since impaction will be lessened. Conversely, higher flow rates may damage the morphology of some materials (e.g., pollen, mold spores). The sample collection period is dependent upon the density of the particles in the environment. Although the efficiency of impaction collection decreases with particle size and density, mold spores as small as 3.0  $\mu\text{m}$  in diameter are collected with an efficiency of approximately 85%. Larger particles such as pollen grains (15 to 80  $\mu\text{m}$  in diameter) are captured with an efficiency of greater than 95%.

#### **BIOAEROSOL: GENERAL INFORMATION**

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Bioaerosols are airborne particles of biological origin, such as bacteria, pollen, fungi, and viruses as well as their by-products or toxins, such as Mycotoxins and Endotoxins. Airborne contaminants of biological origin can produce infectious and inflammatory diseases in exposed individuals, such as Tuberculosis, Legionella, Anthrax, Q Fever, and Inflammatory Diseases like Chronic Bronchitis, Asthma, and Conjunctivitis.

Most building related complaints among workers arise from diverse symptoms as a result of exposure to physical and biological agents in buildings. A majority of health complaints in buildings with problems are related to mucous membrane discomfort (i.e., eye, nose, and throat irritation) headache, and fatigue. Mold Spores are known causative agents of these problems.

Mold spores can be found anywhere, inside and outside and they can grow effectively on almost any organic substance, such as wood, paper, carpet, food and insulation, as long as moisture and oxygen are present. Mold gradually destroys these things that it grows on. In some cases indoor mold growth may not be visible or obvious. Mold spores have been found behind dry wall, wall paper, wood paneling, above ceiling tiles, and under carpets and carpet pads. Mold growth has also been known to occur in pipe chases, utility tunnels, near air handling units, on walls behind furniture, as well as underneath roofing material. It is impossible to completely eliminate mold from an indoor environment, but it is possible to control its growth by controlling the level of moisture. The most important reason to control mold growth is the potential health concerns that are associated with airborne mold spores.

Airborne molds and fungi (bioaerosols) are often associated with respiratory ailments. Some species are irritants of the respiratory system and are commonly found in indoor and outdoor environments.

The growth of fungi is influenced by several environmental factors, including light, temperature, nutrients, and most importantly, water. Almost any carbon-containing material (abundant in both indoor and outdoor environments) can provide adequate nutrients for fungal growth. The introduction of water is the single most important cause of fungi contamination. Keeping an indoor environment dry can essentially prevent fungal growth.

#### **FUNGUS MOST LIKELY TO CAUSE HEALTH PROBLEMS**

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The most common Mold spore causing health problems is Penicillium/Aspergillus. These contaminants can come in the form of invasive infections, colonizations, toxicoses, or allergies. They are opportunistic



February 8, 2019

IAQ Report: 1902217- 468 Lakeside Terrace, Glencoe, Illinois 60022

invaders, infecting various sites in individuals with lowered resistance to diseases. These Mold Spores have also been known to cause inflammation of the cornea, external ear, respiratory, and urinary tract infections. Some strains have even been known to produce mycotoxins.

*Cladosporium* is one of the most widespread molds. It includes about 40 species naturally found in soil, on decaying plant material and as plant pathogens. In an indoor environment, *Cladosporium* spp. occur as secondary wall colonizers, appearing after the primary ones such as *Penicillium* species and *Aspergillus* species. *Cladosporium* is very common on wet building material (e.g., gypsum board, acrylic painted walls, wood, wallpaper, carpet and mattress dust, HVAC fans, and wet insulation in mechanical cooling units). *Cladosporium* species have the ability to trigger allergic reactions to sensitive individuals. Prolonged exposure to elevated spore concentrations can elicit chronic allergy and asthma. Concentrations of 3000 *Cladosporium* spores per cubic meter of air are generally taken as the threshold concentrations for clinical significance. However, individuals may react at lower concentrations depending on their sensitivity.

*Chaetomium* species are found worldwide in soil, dung, or decaying plants. Most species are prolific producers of the enzyme cellulase that breaks down cellulose. Destruction of paper and other materials containing cellulose (including foods, feeds, paper, textile, bird feathers, seeds and military equipment) by species of this mould is well documented. *Chaetomium* is perhaps the third most common indoor fungal contaminant of moldy damp buildings. It may be found on wet drywall, wall-paper, carpets, window frames, baseboards and plywood. This fungus is reported to be allergenic and a toxin. *Chaetomium* spp. are among the fungi causing infections wholly referred to as phaeohyphomycosis. Fatal deep mycoses due to *Chaetomium atrobrunneum* have been documented. Brain abscess, peritonitis, cutaneous lesions, and onychomycosis may also develop due to *Chaetomium* spp. Unlike most other mold pathogens, there is medical evidence to suggest that people who are exposed to *Chaetomium* may be predisposed to permanent neurological damage of the myelin sheath. Therefore, a noticeably high incidence of autoimmune diseases have been linked to exposure of this mold such as Multiple Sclerosis, Lupus, etc. It has also been linked to certain forms of Cancer. As with other fungal exposure, it can also cause permanent DNA damage. This has been documented in several cases being researched during studies. *Chaetomium* is the only mold that inhibits cell replication. On a scale of worst to more mild in effects on human health, contrary to what many believe; *chaetomium* would be second or possibly third to *aspergillus* only to *stachybotrys*.

*Stachybotrys*, or the "black mold", is the most debated fungus today. It grows on moist or water damaged building materials with a high cellulose and low nitrogen content, such as fireboard, gypsum board, paper, ceiling tiles, wood, insulation, and dust. It requires water or excessive moisture for days or weeks to grow. Excessive indoor humidity can be a catalyst in the development of *Stachybotrys*.

Due to its wet, slimy growth characteristics, it is unusual for spores to become aerosolized; therefore it is readily identifiable on tape lift samples. However, when colonies of this fungus become dehydrated, there is an increased risk for air dispersion, and spores can then be detected through air sampling techniques.

February 8, 2019

IAQ Report: 1902217- 468 Lakeside Terrace, Glencoe, Illinois 60022

Extreme caution should be exercised when levels of this organism are amplified, as it has been known to produce mycotoxins that can irritate skin and mucous membranes. Exposure can occur through inhalation, ingestion or skin exposure when the fungus becomes embedded in the carpets or walls. Because *Stachybotrys* spores are very small, some may be drawn into the lungs when airborne spores are inhaled. The health effects of *Stachybotrys chartarum* (greenish black fungus) were first noted as diseases in Russian and Eastern European farm animals that ate moldy hay. The first reported human effects were seen in agricultural workers who handled the moldy straw or hay that was affecting the farm animals. Also, after consuming contaminated cereal grains, people experienced symptoms such as burning sensations in mouth, nausea, vomiting, diarrhea and abdominal pain. Individuals with chronic exposure to *Stachybotrys* have reported cold and flu-like symptoms, such as sore throats, headaches, fatigue, runny nose and diarrhea. Individuals with chronic respiratory disease may experience trouble breathing, and those with deficient immune systems may be at risk for infection. The actual effect of *Stachybotrys* along with human health has yet to be defined, and is currently the subject of toxin research.

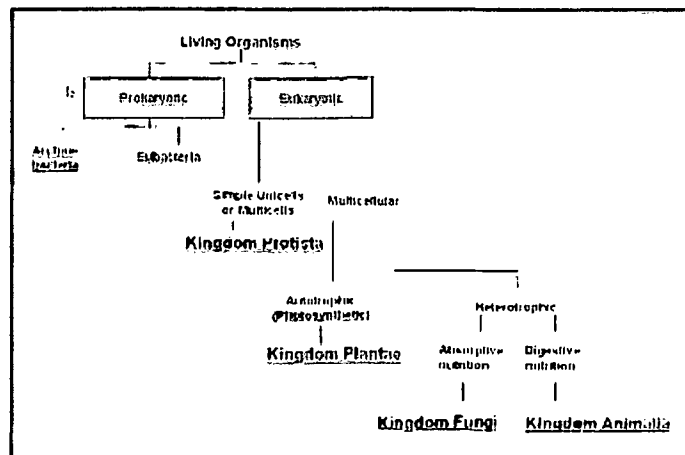
Due to the fact that it is abundant in the natural environment and is one of the most common fungi worldwide, *Alternaria* is considered another important fungal allergen. It is commonly found in soil, seeds and plants, but specimen of *Alternaria* are often found growing on carpets, textiles, in house dust, on damp areas around showers and windows frames, and anywhere condensation occurs. It is commonly found in water-damaged buildings, especially on building materials that contain cellulose, such as drywall sheets. *Alternaria* is a dry spore and is readily found in air samples as well as on tape lift samples. It may be resistant to fungicide. *Alternaria* produces large spores having sizes between 20-200 microns in length and 7-18 microns in width, suggesting that the spores from these fungi are deposited in the nose, mouth, and upper respiratory tract. It may be related to what is commonly known as *bakers' asthma*. Also, it has been associated with hypersensitivity pneumonitis, sinusitis, deratomycosis, onychomycosis (nail infection), subcutaneous phaeohyphomycosis, and invasive infection.

Developing an investigation strategy is crucial to air sampling of Bioaerosols. A majority of potentially hazardous Bioaerosol situations arise from an increase of moisture in a building. Should a situation like this occur it becomes important to locate, isolate, and halt whatever the source of moisture may be. These areas then need to be cleaned. Clean up may consist of, but not be limited to: drying, wiping down, and vacuuming with a High Efficiency Particulate Air (HEPA) filtered vacuum.

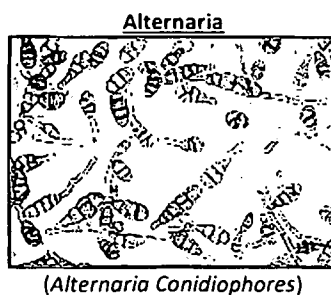
While walking through a building, all areas that may have been affected from an increase in moisture will be the optimal target areas to perform air testing. It is important to note that a visual evaluation may not always reveal serious mold contamination. Therefore, it is often time important for air sampling to be performed.

February 8, 2019

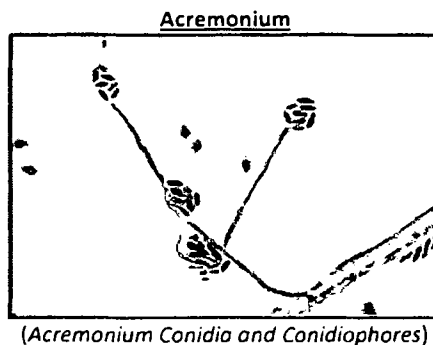
IAQ Report: 1902217- 468 Lakeside Terrace, Glencoe, Illinois 60022



Fungi are eukaryotic (their cells have nuclei), heterotrophic (they can't make their own food), and osmotrophic (they absorb food rather than ingest food), develop a rather diffuse, branched, tubular body (radiating hyphae making up mycelia or colonies), and reproduce by means of spores.



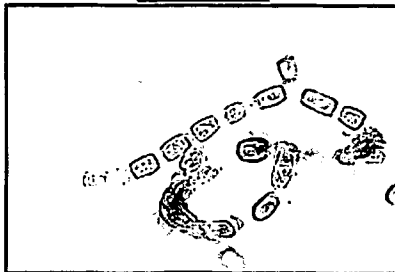
Alternaria is a cosmopolitan, dematiaceous (phaeoid) fungus commonly isolated from plants, soil, food, and indoor air environment. The genus Alternaria currently contains around 50 species. Among these, Alternaria Alternata is the most common one isolated from human infections.



Acremonium is a filamentous fungi commonly isolated from plant debris and soil. It may also be found in damp carpet and gypsum board. A few species of Acremonium implicated in mycetoma and keratitis.

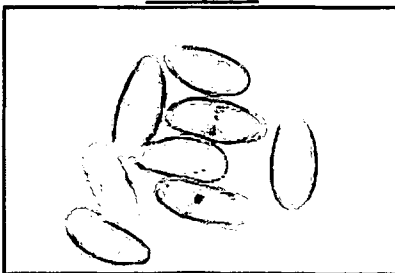
February 8, 2019

IAQ Report: 1902217- 468 Lakeside Terrace, Glencoe, Illinois 60022

Arthrospores

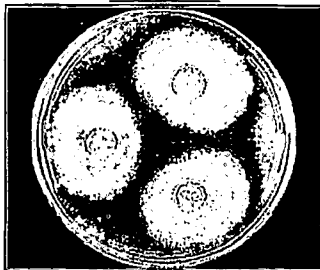
(Arthrospores)

Growing fungi have branched filaments called hyphae, which make up the mycelium (much like branches are part of a tree). Arthrospores are made up of fragments of the hyphae, breaking off at the septae. The arthroconidia (Arthrospores) produced by the hyphae are the infection units of the organism.

Ascospores

(Ascospores)

The sexual spores of Ascomycetes are produced eight at a time in a sac called an ascus. When introduced into a moist atmosphere, the ascus will rupture in various manners to release the spores into the air. Once in the air, the spores serve as dispersal units as they are carried by the wind. Frequently found indoor on damp substrates. Genus consists of several different species. Majority do not cause pathogenic disease; however, some do exist.

Aspergillus

(Aspergillus Culture)

There are about 200 species in the Aspergillus genus; approximately 20 of them are known causative agents of human disease. Aspergillus is commonly found in soil, compost piles, plant debris, water damaged buildings, a wide

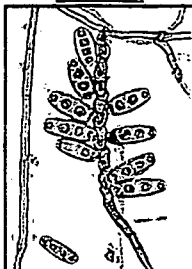
February 8, 2019

IAQ Report: 1902217- 468 Lakeside Terrace, Glencoe, Illinois 60022

range of substrates, and house dust. It is one of the most common contaminants found in indoor air (some species prefer drier conditions), as well as in water-damaged buildings.

Aspergillus is usually non-pathogenic, as most people are naturally immune to diseases associated with it, but can become opportunistic in the respiratory tract. It is associated with many respiratory ailments, and it often agitates sinuses. Aspergillosis, a result of prolonged exposure to Aspergillus, causes infections in most human organs including the lung, nasal sinuses, as well as the skin.

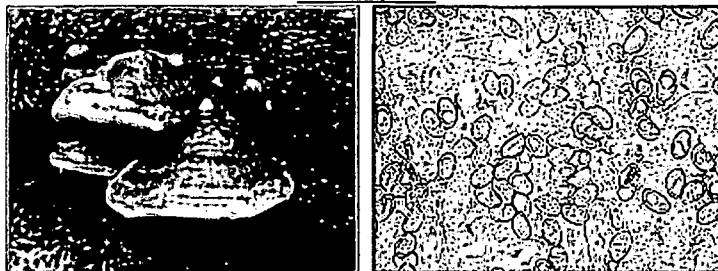
#### Bipolaris



(*Bipolaris Conidiophores*)

*Bipolaris* is a common saprophyte and a subtropical/tropical plant pathogen. It is commonly found on dead or dying plant material and its colonies are moderately fast growing. Several of its 45 species are documented in human infection. *Bipolaris* spores are large and are often times deposited in the upper respiratory tract. Clinical manifestations include mycotic keratitis (inflammation of the eye), subcutaneous phaeohyphomycosis (skin lesions), sinusitis, peritonitis (abdominal disorder), and some cerebral and scattered infections.

#### Basidiospores

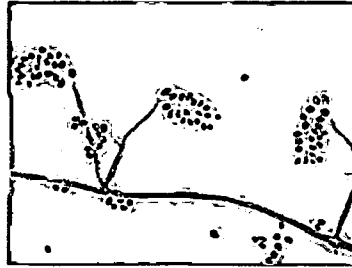


(*Polypore Mushroom and Basidiospores*)

Any of the various fungi belonging to the phylum Basidiomycota bear sexually produced spores on a basidium. The basidiomycetes are the most familiar forms of fungi and include mushrooms, puffballs, shelf fungi, rusts, and smuts. Capable of causing "dry rot" which can destroy the wood structure of buildings. Opportunistic infections are caused only on rare occasions.

February 8, 2019

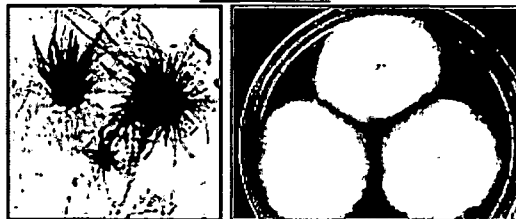
IAQ Report: 1902217- 468 Lakeside Terrace, Glencoe, Illinois 60022

Beauveria

This hyaline, filamentous fungus was first recognized as the etiologic agent of the devastating muscardine disease of the silkworm. It is ubiquitous in plant debris and soil. Beauveria is also isolated from foodstuff, infected insects, and indoor air environment.

Fusarium

Fusarium is a filamentous fungus widely distributed on plants and in the soil. It is found in normal mycoflora of commodities, such as rice, bean, soybean, and other crops. While most species are more common at tropical and subtropical areas, some inhabit in soil in cold climates. As well as being common plant pathogens, Fusarium sp. are causative agents of superficial and systemic infections in humans.

Chaetomium

(Ascospores of Chaetomium species and Chaetomium Culture)

Chaetomium is frequently isolated from plant debris, soil, wood and straw-like materials, as well as air. Indoors, it is found on damp sheetrock and paper products in water damaged buildings. Chaetomium is reported to be allergenic, and rarely causes toxic diseases in immunosuppressed people. However, it is considered an agent of peritonitis (abdominal disorder), and cutaneous lesions.

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557 West Polk Street, Suite 201  
Chicago, IL 60607  
312.447.1200 p  
312.447.0922 f  
www.egsl.com w

## Indoor Air Quality (IAQ) Report

468 Lakeside Terrace, Glencoe, Illinois 60022

Belfor Job No. 02-0007783

EGSL Project No. 1902217



Prepared for:	Prepared by:
Daniel Correa	Michelle Budniak
Belfor Property Restoration	Project Manager
650 Anthony Trail B	
Northbrook, Illinois 60062	February 8, 2019



February 8, 2019

IAQ Report: 1902217- 468 Lakeside Terrace, Glencoe, Illinois 60022

## Executive Summary

On February 7, 2019, *Environmental Group Services, Limited* (EGSL) performed a visual inspection, moisture survey, and Bioaerosol air sampling within the single family residential structure located at 468 Lakeside Terrace, Illinois. The investigation was conducted following accepted industry standards set forth in IICRC S520.

The inspection was performed to determine the presence of mold species after a water intrusion event originating in the bathroom plumbing on the first and second floors that occurred several days prior to this inspection.

The analytical results of the Bioaerosol air sampling indicated that all of the samples collected from the affected areas of the first and second floors exceeded the Background (outside) sample concentration. Additionally, the samples collected from the first floor office and the second floor bedroom contained mold species associated with water-damaged building materials (*Stachybotrys sp.*, and/or *Chaetomium sp.*).

The analytical results, as well as recommendations for improving indoor air quality are provided in this report.

## Site Investigations

EGSL performed the site investigation on February 7, 2019. The dwelling was occupied and contained amenities and items typically found in a residential dwelling. The occupants of the dwelling reported that leaking plumbing fixtures located on the first and second floors burst several days prior. The affected rooms included the kitchen, living room, office, and bathroom on the first floor, as well as the bedroom and bathroom located directly above on the second floor.

At the time of the site investigation, the ceiling of the kitchen, living room, and office on the first floor exhibited water damaged or water stained drywall. Cuts had been made to areas in the kitchen ceiling and to the walls in the hallway outside of the bathroom to exposed affected plumbing lines. Hardwood floor located in the affected areas of the first floor appeared to be warped and buckling due to water damage. No water staining or water damage was observed in the second floor bedroom or the adjoining bathroom.

Aside from the aforementioned observations, EGSL did not note any musty or moldy odors, or residual water damage. The premises appeared to clean and well maintained.

*See Appendix A for complete Photographic Documentation. The investigation was conducted per the recommendations set forth in the EPA publication "Mold Remediation in Schools and Commercial Buildings".*



February 8, 2019

IAQ Report: 1902217- 468 Lakeside Terrace, Glencoe, Illinois 60022

**Moisture and Humidity**

Mold problems arise when an excess amount of moisture is present. Whether it is a leaking pipe, poor building structure, or even humidity problems, mold growth can occur if the source of moisture is not eliminated. All building materials, whether it is drywall, cement, or wood, have a different acceptable moisture limit (as referenced by the EPA publication "Mold Remediation in Schools and Commercial Buildings, Table 1").

According to the *Illinois Department of Public Health Guidelines for Indoor Air Quality*, "There is no "ideal" humidity level and temperature suitable for all building occupants. Many factors, such as personal activity and clothing may affect personal comfort. Acceptable relative humidity levels should range from 20 percent – 60 percent year-round, as recommended by the EPA. Levels less than 20 percent in the winter and greater than 60 percent in the summer should be considered unacceptable. Elevated relative humidity can promote the growth of mold, bacteria, and dust mites, which can aggravate allergies and asthma. To achieve maximum occupant comfort, relative humidity should be maintained between 30 percent – 50 percent. Relative humidity is defined as at a given temperature, it is the amount of water vapor in the air compared to the maximum amount of water vapor air could hold at that temperature."

The following relative humidity and temperature readings were observed:

Location	Relative Humidity (%)	Temperature (F)
1 <sup>st</sup> Floor Kitchen	28.9	72.6
1 <sup>st</sup> Floor Office	33.6	72.5
2 <sup>nd</sup> Floor Bedroom	27.3	71.9

**Moisture Level Investigation**

EGSL utilized a *Tramex Moisture Encounter Plus*, a non-destructive moisture detection instrument, to determine whether elevated levels of moisture content were present within the building materials of the affected area. The *Tramex Moisture Encounter Plus* penetrates material to a depth of 30 mm (1 ¼ inches). The instrument can be utilized to test wood, drywall, roofing, plaster, and brick. Furthermore, the instrument can also be used for the detection of elevated moisture in or behind a range of covering materials such as ceiling tiles, siding, ceramic tiles, and laminated flooring. Comparative readings are taken from an unaffected area, in order to act as controls for the affected area(s).

EGSL determined that elevated moisture was exhibited in various building materials located on the first floor in the kitchen, office, and hallway (drywall, hardwood floor). *The photographic documentation of the moisture readings is located in Attachment A.*



February 8, 2019

IAQ Report: 1902217- 468 Lakeside Terrace, Glencoe, Illinois 60022

**Bioaerosol Sampling Methods**

On February 7, 2019, three (3) Bioaerosol air samples were collected from within the first floor (kitchen and office) and the second floor bedroom. In addition, one (1) sample was collected from outside the structure, for comparison purposes, hereafter referred to as the Background sample. The samples were obtained using high volume pumps calibrated at 15 liters/minute and Air-O-Cell cassettes. The samples were collected for a period of 10 minutes. The cassettes, with a proper chain of custody, were submitted for analysis of Total Fungal Count to *Biogenesis Analytical, Inc.*, an AIHA accredited laboratory of Chicago.

All samples were obtained according to the manufacturer's instructions and in compliance with industry standards.

**Bioaerosol Analytical Results**

The analytical results of the Bioaerosol air sampling, as summarized in Table 1, indicated that all of the samples collected from the affected areas of the first and second floors exceeded the Background (outside) sample concentration. Additionally, the samples collected from the first floor office and the second floor bedroom contained mold species associated with water-damaged building materials (*Stachybotrys sp.*, and/or *Chaetomium sp.*).

The complete analytical data and microscopic photographic documentation can be found in Attachment B.

**Table 1: Mold Spore Analysis: Air-O-Cell Cassettes – February 7, 2019**

Sample ID	Location	Total Mold Concentration (count/m <sup>3</sup> )	Above/Below Background Concentration
AOC-1	First Floor Kitchen	610	Above
AOC-2	First Floor Office	743*	Above
AOC-3	Second Floor Bedroom	324*~	Above
BG-1	Outside (Background)	267	Not applicable

\*Denotes presence of *Stachybotrys sp.*, a water-damage indicator.

~Denotes the presence of *Chaetomium sp.*, a water-damage indicator.

**Recommendations**

Based on visual observations, moisture readings, and the analytical results of the Bioaerosol sampling described above, EGSL recommends the following action within the affected areas of the first floor:

- ✓ All sources of water intrusion must be identified and eliminated prior to commencing any remedial action. Special attention should be paid to the plumbing fixtures running along the ceilings.

February 8, 2019

IAQ Report: 1902217- 468 Lakeside Terrace, Glencoe, Illinois 60022

- A plumbing contractor should be consulted to determine whether there are active leaks in the ceiling pipes in the affected rooms.
- ✓ All remediation workers should have type "A" respirators equipped with HEPA filters, Tyvek suits and gloves for worker protection. Furthermore, a moisture reader should be utilized during the remediation process, in order to ensure that all areas of drywall exhibiting elevated moisture content are removed.
- ✓ All remediation efforts should be conducted following the recommendations set forth by IICRC S520 and the EPA recommendations
- ✓ All HVAC systems supplying the contained affected areas should be shut off during remediation.
- ✓ A negative pressure containment equipped with the appropriate amount of HEPA filter air scrubbers should be erected during the entire remediation process and for at least 48 hours after remediation is complete. The air scrubbers with HEPA filters will filter 99.9% of particles in the air larger than 0.3 microns in diameter. **The containment should include all areas where remediation/building material removal will occur. EGSL recommends that at a minimum, the containment should include the kitchen, living room, office, bathroom, and the hallway adjoining these rooms on the first floor.** The containments may need to be adjusted depending the extent of visible mold growth (if encountered) and/or elevated moisture content.
- ✓ Moveable furniture, appliances, and items should be HEPA vacuumed, then sealed in polyethylene sheeting and removed from the containment prior to the start of remediation. These items should be professionally cleaned or discarded.
- ✓ All drywall within the containment areas exhibiting water damage, visible mold growth, and elevated moisture content should be cut, removed, discarded and replaced. If visible mold exists on the interior side of the drywall, the drywall should be cut in increments of one foot until no further visible mold exists. If insulation exists behind the affected drywall, it should be removed, discarded and replaced.
- ✓ Studs/joists/framing behind affected drywall or exhibiting mold growth:
  - If metal, should be HEPA vacuumed and wiped clean with an EPA approved moldicide/moldistat solution.
  - If wood, should be sanded clean (with HEPA attachment), then wiped clean with an EPA approved moldicide/moldistat solution.
- ✓ The water damaged hardwood flooring should be cut, removed, and discarded.

February 8, 2019

IAQ Report: 1902217- 468 Lakeside Terrace, Glencoe, Illinois 60022

- ✓ All wall and ceiling cavities should be thoroughly HEPA vacuumed and wiped clean with an EPA approved moldicide/moldistat solution. A moldicide encapsulating product such as *Kilz* or equivalent may be applied to surfaces within the wall cavities.
- ✓ Dessication equipment should be deployed in the hallway outside the bathroom to reduce the moisture content of the wall behind the tiled surface of the shower.
- ✓ All remaining hard surfaces within the containments should HEPA vacuumed and wiped clean with an EPA approved moldicide/moldistat solution.
- ✓ If clearance bioaerosol sampling is desired, air scrubbers should be turned off for at least 24 hours before sampling.

EGSL also recommends the following action within the affected areas of **the second floor**:

- ✓ HEPA filter air scrubbers should be deployed in the **bedroom** during the entire remediation process and for at least 48 hours after remediation is complete. The air scrubbers with HEPA filters will filter 99.9% of particles in the air larger than 0.3 microns in diameter
- ✓ Hard surfaces located throughout the bedroom should be HEPA vacuumed and wiped clean with an EPA approved moldicide/moldistat solution.
- ✓ Moveable fabric textile items should be machine washed or professionally cleaned. Upholstered items such as furniture or carpeting should be HEPA vacuumed and professionally cleaned.

February 8, 2019

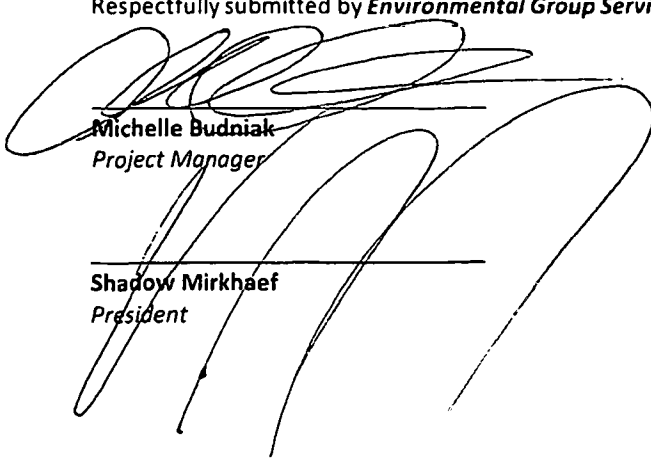
IAQ Report: 1902217- 468 Lakeside Terrace, Glencoe, Illinois 60022Limitations

The analytical results of the tests performed reflect the condition of the aforementioned location at the time of sampling only. While there is no practical way to eliminate all mold and mold spores in the indoor environment, mold counts can be kept within acceptable levels. However, a number of events can cause mold spores to reappear in elevated levels. The way to control indoor mold growth is to control moisture. Humidity levels must be kept within normal ranges (20-60%). Indoor humidity can be reduced by venting bathrooms, dryers, and other moisture-generating sources to the outside; using air conditioners and dehumidifiers; increasing ventilation; and using exhaust fans whenever cooking, dishwashing, and cleaning. If a water intrusion event occurs, any wet or damp building materials/furnishings should be cleaned and dried within 24-48 hours to prevent mold growth.

This assessment presents EGSL's professional interpretation and judgment of the existing site conditions based on information gathered. Professional judgments expressed on facts currently available within the limits of the mutually agreed scope of work, budget and schedule. It is not intended to be exhaustive in scope. EGSL's work was performed in accordance with generally accepted engineering standards. However, the cost information presented herein cannot be construed as engineering estimates. It is EGSL's specific intent that the costs, conclusions and recommendations presented here be used as guidance and not necessarily as a firm course of action unless explicitly stated as such. WE MAKE NO WARRANTIES, EXPRESSED OR IMPLIED INCLUDING WITHOUT LIMITATION, WARRANTIES AS TO MARKETABILITY OR FITNESS FOR A PARTICULAR PURPOSE. In addition, the information provided in this report is not to be construed as legal advice.

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Respectfully submitted by *Environmental Group Services Limited*,



Michelle Budniak  
Project Manager

Shadow Mirkhaef  
President



egsl

Page 7

Exhibit 2

February 8, 2019

IAQ Report: 1902217- 468 Lakeside Terrace, Glencoe, Illinois 60022

#### **DISCLAIMER**

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With regard to Indoor Air Quality (IAQ), and consequent mold and fungal growth, within private residences, office buildings, and other large facilities, *Environmental Group Services, Ltd.* (EGSL) performs various functions in order to identify and possibly remedy a potential IAQ problem. These involve completing building walkthroughs and investigations, performing Bioaerosol sampling, which includes taking air samples and source samples, determining from where the moisture problem originates, and what course of action will follow to eliminate the source.

In the past, EGSL has represented our clients including building owners, large companies, individuals, and officials in any disagreement or legal proceedings that may arise, as EGSL is confident in our abilities to accurately assess the indoor air quality of any building, using our trained judgment, sampling methods, and extensive experience. The ultimate goal of any and all remediation programs should be the removal of microbial growth in its entirety. It is therefore EGSL's assertion that a full investigation into any possible microbial growth issue will yield a suitable cleaning plan whose intent is to remove all foreign material from the area.

However, due to the fact that the mold and fungi field mold is constantly changing and is somewhat unpredictable, EGSL has instituted a Statute of Limitations of one year on its recommendations and conclusions. After one year, the reports should be considered null and void.

#### **AIR-O-CELL: GENERAL INFORMATION**

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The Air-O-Cell Cassette was designed with one concept in mind - rapid and reliable sample collection of a wide range of airborne aerosols using an economical and easy-to-use cassette. Attached to an air-sampling pump, the Air-O-Cell Cassette can be used to collect particles such as: mold spores, pollen, inorganic dust skin cells, insects, plant fragments, fibers, asbestos, fiberglass, cellulose, ceramics fly, and ash. This small sealed filter cassette contains a special high-tack adhesive sampling medium on a slide inside the cassette that permanently fixes particles for easy sampling, transportation, and analysis. Ready-to-use, Air-O-Cell can handle the smallest and toughest of sampling situations without the danger of losing or cross-contaminating samples.

The Air-O-Cell Cassette operates on the principle of inertial impaction. Particles in the air stream are accelerated to a minimum velocity of 30 to 35 mph through the cassette's tapered slit. Below the slit is a slide coated with a sticky, optically clear sampling medium. The airflow is aimed directly at the sampling medium and then forced to make a sharp 90-degree turn at the surface of the slide. The velocity, combined with the mass of the particles in the air stream, causes the particles (up to 2 microns) to impact and adhere to the sampling medium on the slide instead of following the air stream to the exit at the back of the cassette. Identification of the sample can be performed directly on the collection medium (see operating instructions for details). The sticky surface prevents the sample from running together or being washed off during the staining processes and eliminates sample loss from vibration during sampling and shipment. The medium may be permanently mounted for archival review.





February 8, 2019

IAQ Report: 1902217- 468 Lakeside Terrace, Glencoe, Illinois 60022

The Air-O-Cell sampling cassette operates at flow rates of 5 to 30 L/min, with an optimum flow rate of 15 L/min. Lower flow rates may result in a loss of particles since impaction will be lessened. Conversely, higher flow rates may damage the morphology of some materials (e.g., pollen, mold spores). The sample collection period is dependent upon the density of the particles in the environment. Although the efficiency of impaction collection decreases with particle size and density, mold spores as small as 3.0  $\mu\text{m}$  in diameter are collected with an efficiency of approximately 85%. Larger particles such as pollen grains (15 to 80  $\mu\text{m}$  in diameter) are captured with an efficiency of greater than 95%.

#### **BIOAEROSOL: GENERAL INFORMATION**

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Bioaerosols are airborne particles of biological origin, such as bacteria, pollen, fungi, and viruses as well as their by-products or toxins, such as Mycotoxins and Endotoxins. Airborne contaminants of biological origin can produce infectious and inflammatory diseases in exposed individuals, such as Tuberculosis, Legionella, Anthrax, Q Fever, and Inflammatory Diseases like Chronic Bronchitis, Asthma, and Conjunctivitis.

Most building related complaints among workers arise from diverse symptoms as a result of exposure to physical and biological agents in buildings. A majority of health complaints in buildings with problems are related to mucous membrane discomfort (i.e., eye, nose, and throat irritation) headache, and fatigue. Mold Spores are known causative agents of these problems.

Mold spores can be found anywhere, inside and outside and they can grow effectively on almost any organic substance, such as wood, paper, carpet, food and insulation, as long as moisture and oxygen are present. Mold gradually destroys these things that it grows on. In some cases indoor mold growth may not be visible or obvious. Mold spores have been found behind dry wall, wall paper, wood paneling, above ceiling tiles, and under carpets and carpet pads. Mold growth has also been known to occur in pipe chases, utility tunnels, near air handling units, on walls behind furniture, as well as underneath roofing material. It is impossible to completely eliminate mold from an indoor environment, but it is possible to control its growth by controlling the level of moisture. The most important reason to control mold growth is the potential health concerns that are associated with airborne mold spores.

Airborne molds and fungi (bioaerosols) are often associated with respiratory ailments. Some species are irritants of the respiratory system and are commonly found in indoor and outdoor environments.

The growth of fungi is influenced by several environmental factors, including light, temperature, nutrients, and most importantly, water. Almost any carbon-containing material (abundant in both indoor and outdoor environments) can provide adequate nutrients for fungal growth. The introduction of water is the single most important cause of fungi contamination. Keeping an indoor environment dry can essentially prevent fungal growth.

#### **FUNGUS MOST LIKELY TO CAUSE HEALTH PROBLEMS**

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The most common Mold spore causing health problems is Penicillium/Aspergillus. These contaminants can come in the form of invasive infections, colonizations, toxicoses, or allergies. They are opportunistic

egsl

February 8, 2019

IAQ Report: 1902217- 468 Lakeside Terrace, Glencoe, Illinois 60022

invaders, infecting various sites in individuals with lowered resistance to diseases. These Mold Spores have also been known to cause inflammation of the cornea, external ear, respiratory, and urinary tract infections. Some strains have even been known to produce mycotoxins.

*Cladosporium* is one of the most widespread molds. It includes about 40 species naturally found in soil, on decaying plant material and as plant pathogens. In an indoor environment, *Cladosporium* spp. occur as secondary wall colonizers, appearing after the primary ones such as *Penicillium* species and *Aspergillus* species. *Cladosporium* is very common on wet building material (e.g., gypsum board, acrylic painted walls, wood, wallpaper, carpet and mattress dust, HVAC fans, and wet insulation in mechanical cooling units). *Cladosporium* species have the ability to trigger allergic reactions to sensitive individuals. Prolonged exposure to elevated spore concentrations can elicit chronic allergy and asthma. Concentrations of 3000 *Cladosporium* spores per cubic meter of air are generally taken as the threshold concentrations for clinical significance. However, individuals may react at lower concentrations depending on their sensitivity.

*Chaetomium* species are found worldwide in soil, dung, or decaying plants. Most species are prolific producers of the enzyme cellulase that breaks down cellulose. Destruction of paper and other materials containing cellulose (including foods, feeds, paper, textile, bird feathers, seeds and military equipment) by species of this mould is well documented. *Chaetomium* is perhaps the third most common indoor fungal contaminant of moldy damp buildings. It may be found on wet drywall, wall-paper, carpets, window frames, baseboards and plywood. This fungus is reported to be allergenic and a toxin. *Chaetomium* spp. are among the fungi causing infections wholly referred to as phaeohyphomycosis. Fatal deep mycoses due to *Chaetomium atrobrunneum* have been documented. Brain abscess, peritonitis, cutaneous lesions, and onychomycosis may also develop due to *Chaetomium* spp. Unlike most other mold pathogens, there is medical evidence to suggest that people who are exposed to *Chaetomium* may be predisposed to permanent neurological damage of the myelin sheath. Therefore, a noticeably high incidence of autoimmune diseases have been linked to exposure of this mold such as Multiple Sclerosis, Lupus, etc. It has also been linked to certain forms of Cancer. As with other fungal exposure, it can also cause permanent DNA damage. This has been documented in several cases being researched during studies. *Chaetomium* is the only mold that inhibits cell replication. On a scale of worst to more mild in effects on human health, contrary to what many believe; *chaetomium* would be second or possibly third to *aspergillus* only to *stachybotrys*.

*Stachybotrys*, or the "black mold", is the most debated fungus today. It grows on moist or water damaged building materials with a high cellulose and low nitrogen content, such as fireboard, gypsum board, paper, ceiling tiles, wood, insulation, and dust. It requires water or excessive moisture for days or weeks to grow. Excessive indoor humidity can be a catalyst in the development of *Stachybotrys*.

Due to its wet, slimy growth characteristics, it is unusual for spores to become aerosolized; therefore it is readily identifiable on tape lift samples. However, when colonies of this fungus become dehydrated, there is an increased risk for air dispersion, and spores can then be detected through air sampling techniques.

February 8, 2019

IAQ Report: 1902217- 468 Lakeside Terrace, Glencoe, Illinois 60022

Extreme caution should be exercised when levels of this organism are amplified, as it has been known to produce mycotoxins that can irritate skin and mucous membranes. Exposure can occur through inhalation, ingestion or skin exposure when the fungus becomes embedded in the carpets or walls. Because *Stachybotrys* spores are very small, some may be drawn into the lungs when airborne spores are inhaled. The health effects of *Stachybotrys chartarum* (greenish black fungus) were first noted as diseases in Russian and Eastern European farm animals that ate moldy hay. The first reported human effects were seen in agricultural workers who handled the moldy straw or hay that was affecting the farm animals. Also, after consuming contaminated cereal grains, people experienced symptoms such as burning sensations in mouth, nausea, vomiting, diarrhea and abdominal pain. Individuals with chronic exposure to *Stachybotrys* have reported cold and flu-like symptoms, such as sore throats, headaches, fatigue, runny nose and diarrhea. Individuals with chronic respiratory disease may experience trouble breathing, and those with deficient immune systems may be at risk for infection. The actual effect of *Stachybotrys* along with human health has yet to be defined, and is currently the subject of toxin research.

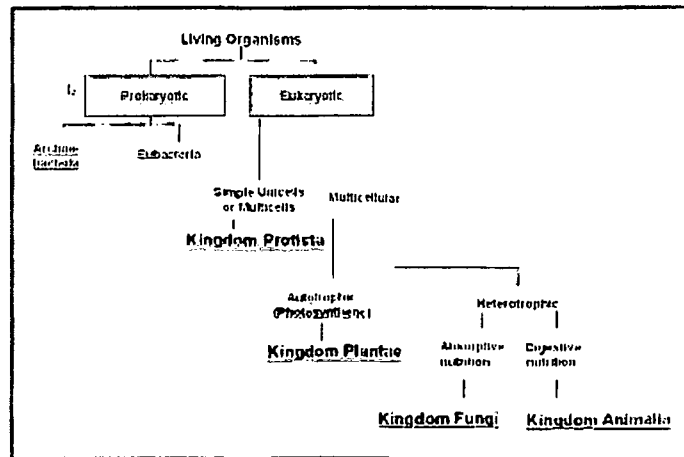
Due to the fact that it is abundant in the natural environment and is one of the most common fungi worldwide, Alternaria is considered another important fungal allergen. It is commonly found in soil, seeds and plants, but specimen of *Alternaria* are often found growing on carpets, textiles, in house dust, on damp areas around showers and windows frames, and anywhere condensation occurs. It is commonly found in water-damaged buildings, especially on building materials that contain cellulose, such as drywall sheets. *Alternaria* is a dry spore and is readily found in air samples as well as on tape lift samples. It may be resistant to fungicide. *Alternaria* produces large spores having sizes between 20-200 microns in length and 7-18 microns in width, suggesting that the spores from these fungi are deposited in the nose, mouth, and upper respiratory tract. It may be related to what is commonly known as *bakers' asthma*. Also, it has been associated with hypersensitivity pneumonitis, sinusitis, dermatomycosis, onychomycosis (nail infection), subcutaneous phaeohyphomycosis, and invasive infection.

Developing an investigation strategy is crucial to air sampling of Bioaerosols. A majority of potentially hazardous Bioaerosol situations arise from an increase of moisture in a building. Should a situation like this occur it becomes important to locate, isolate, and halt whatever the source of moisture may be. These areas then need to be cleaned. Clean up may consist of, but not be limited to: drying, wiping down, and vacuuming with a High Efficiency Particulate Air (HEPA) filtered vacuum.

While walking through a building, all areas that may have been affected from an increase in moisture will be the optimal target areas to perform air testing. It is important to note that a visual evaluation may not always reveal serious mold contamination. Therefore, it is often time important for air sampling to be performed.

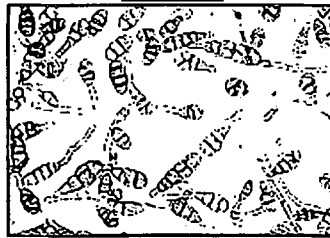
February 8, 2019

IAQ Report: 1902217- 468 Lakeside Terrace, Glencoe, Illinois 60022



Fungi are eukaryotic (their cells have nuclei), heterotrophic (they can't make their own food), and osmotrophic (they absorb food rather than ingest food), develop a rather diffuse, branched, tubular body (radiating hyphae making up mycelia or colonies), and reproduce by means of spores.

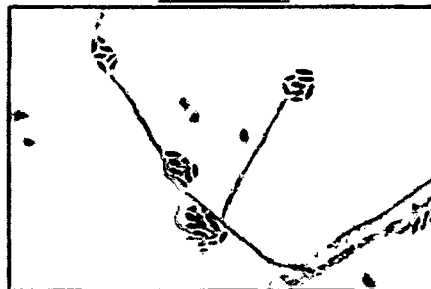
#### Alternaria



(Alternaria Conidiophores)

Alternaria is a cosmopolitan, dematiaceous (phaeoid) fungus commonly isolated from plants, soil, food, and indoor air environment. The genus Alternaria currently contains around 50 species. Among these, Alternaria Alternata is the most common one isolated from human infections.

#### Acremonium

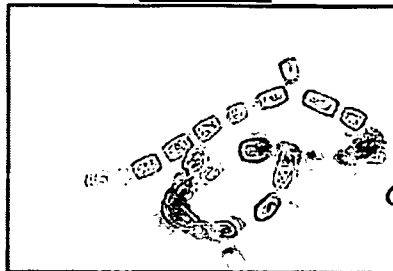


(Acremonium Conidia and Conidiophores)

Acremonium is a filamentous fungi commonly isolated from plant debris and soil. It may also be found in damp carpet and gypsum board. A few species of Acremonium implicated in mycetoma and keratitis.

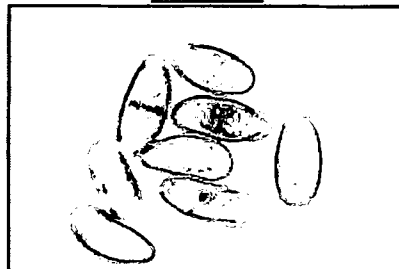
February 8, 2019

IAQ Report: 1902217- 468 Lakeside Terrace, Glencoe, Illinois 60022

Arthrospores

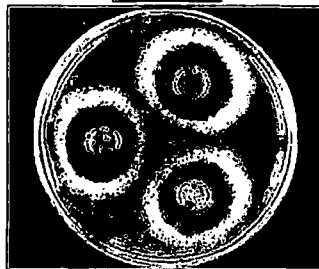
(Arthrospores)

Growing fungi have branched filaments called hyphae, which make up the mycelium (much like branches are part of a tree). Arthrospores are made up of fragments of the hyphae, breaking off at the septae. The arthroconidia (Arthrospores) produced by the hyphae are the infection units of the organism.

Ascospores

(Ascospores)

The sexual spores of Ascomycetes are produced eight at a time in a sac called an ascus. When introduced into a moist atmosphere, the ascus will rupture in various manners to release the spores into the air. Once in the air, the spores serve as dispersal units as they are carried by the wind. Frequently found indoor on damp substrates. Genus consists of several different species. Majority do not cause pathogenic disease; however, some do exist.

Aspergillus

(Aspergillus Culture)

There are about 200 species in the Aspergillus genus; approximately 20 of them are known causative agents of human disease. Aspergillus is commonly found in soil, compost piles, plant debris, water damaged buildings, a wide

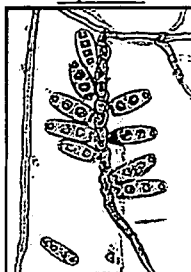
February 8, 2019

IAQ Report: 1902217- 468 Lakeside Terrace, Glencoe, Illinois 60022

range of substrates, and house dust. It is one of the most common contaminants found in indoor air (some species prefer drier conditions), as well as in water-damaged buildings.

Aspergillus is usually non-pathogenic, as most people are naturally immune to diseases associated with it, but can become opportunistic in the respiratory tract. It is associated with many respiratory ailments, and it often agitates sinuses. Aspergillosis, a result of prolonged exposure to Aspergillus, causes infections in most human organs including the lung, nasal sinuses, as well as the skin.

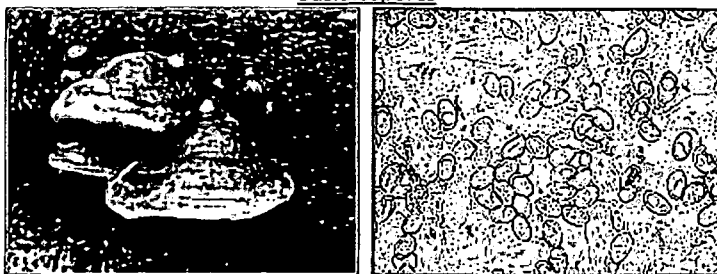
#### Bipolaris



(*Bipolaris* Conidiophores)

*Bipolaris* is a common saprophyte and a subtropical/tropical plant pathogen. It is commonly found on dead or dying plant material and its colonies are moderately fast growing. Several of its 45 species are documented in human infection. *Bipolaris* spores are large and are often times deposited in the upper respiratory tract. Clinical manifestations include mycotic keratitis (inflammation of the eye), subcutaneous phaeohyphomycosis (skin lesions), sinusitis, peritonitis (abdominal disorder), and some cerebral and scattered infections.

#### Basidiospores

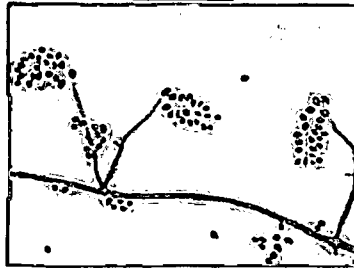


(Polypore Mushroom and Basidiospores)

Any of the various fungi belonging to the phylum Basidiomycota bear sexually produced spores on a basidium. The basidiomycetes are the most familiar forms of fungi and include mushrooms, puffballs, shelf fungi, rusts, and smuts. Capable of causing "dry rot" which can destroy the wood structure of buildings. Opportunistic infections are caused only on rare occasions.

February 8, 2019

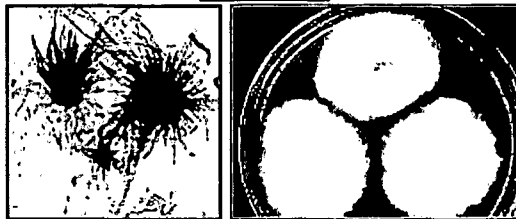
IAQ Report: 1902217- 468 Lakeside Terrace, Glencoe, Illinois 60022

Beauveria

This hyaline, filamentous fungus was first recognized as the etiologic agent of the devastating muscardine disease of the silkworm. It is ubiquitous in plant debris and soil. Beauveria is also isolated from foodstuff, infected insects, and indoor air environment.

Fusarium

Fusarium is a filamentous fungus widely distributed on plants and in the soil. It is found in normal mycoflora of commodities, such as rice, bean, soybean, and other crops. While most species are more common at tropical and subtropical areas, some inhabit in soil in cold climates. As well as being common plant pathogens, Fusarium sp. are causative agents of superficial and systemic infections in humans.

Chaetomium

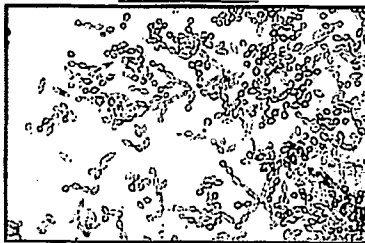
(Ascospores of Chaetomium species and Chaetomium Culture)

Chaetomium is frequently isolated from plant debris, soil, wood and straw-like materials, as well as air. Indoors, it is found on damp sheetrock and paper products in water damaged buildings. Chaetomium is reported to be allergenic, and rarely causes toxic diseases in immunosuppressed people. However, it is considered an agent of peritonitis (abdominal disorder), and cutaneous lesions.



February 8, 2019

IAQ Report: 1902217- 468 Lakeside Terrace, Glencoe, Illinois 60022

Cladosporium

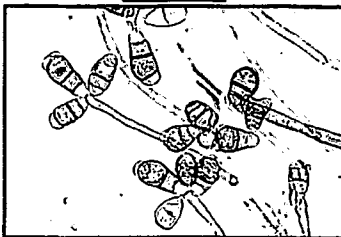
(Cladosporium Conidiophores)

Cladosporium is a mold that is common in the environment. Outdoors, it can be found on plants and other organic matter. Indoors, Cladosporium is common in the air and on surfaces such as wallpaper or carpet, particularly where moisture or condensation is present. Houses with poor ventilation or located in damp environments may have heavy concentrations.

Cladosporium is a very rare cause of human illness, but it has been known to cause several different types of infections, including skin, eye, sinus, and brain infections. Cladosporium has the ability to sporulate very heavily, and is therefore an important fungal allergen. It is a common cause of extrinsic asthma, and is frequently isolated as a contaminant in the air. Cladosporium is often times found to be a causative agent of skin lesions, sinusitis, and pulmonary infections.

Coprinus

There are many different species of Coprinus found in the outside environment and are all found in mushroom form. They are blackish spores that grow in wet conditions. Coprinus should be treated as an important inhalant allergen.

Curvularia

(Curvularia Conidiophores)

Curvularia is a common saprophyte, with fast growing colonies. It has about 35 species, which are usually subtropical and tropical plant parasites. However, it will grow indoors on a number of substrates. Despite being primarily a plant

February 8, 2019

IAQ Report: 1902217- 468 Lakeside Terrace, Glencoe, Illinois 60022

parasite, three species have been found to cause human infections, such as corneal infections and various infections in immune compromised people.

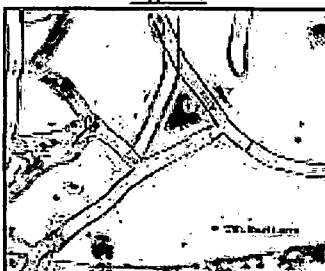
#### Epicoccum



(*Epicoccum* Culture and *Epicoccum* Conidiophores)

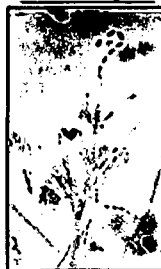
The *Epicoccum* genus is made of fast growing colonies, usually with a yellow/orange pigmentation. The spores are found in plants, soils, grains, textiles, and paper products. *Epicoccum* is a known allergen, and is occasionally isolated as a contaminant from clinical specimens, such as skin.

#### Hyphae



All growing fungi have branched filaments called Hyphae. Hyphae are linear chains of tubular structures, and eventually produce fruiting bodies that contain reproductive spores. Some mycotoxins are associated with Hyphae, and because it is what gives mold its structure, its presence is a strong indication that there are mold spores present in the air.

#### Paecilomyces



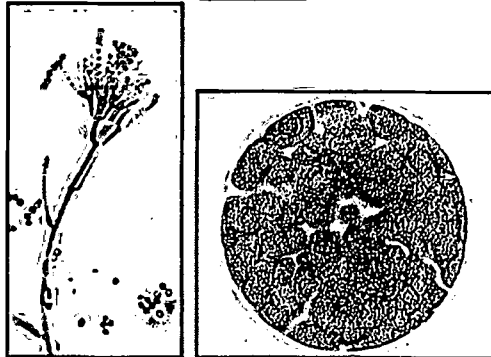
(*Paecilomyces* Conidiophores)

*Paecilomyces* is a saprophyte commonly found among dead plants and compost. It is a fast growing colony usually found in warm climates and arid regions. However, it has been isolated from jute fibers, paper, PVC, and timber. *Paecilomyces* is related to the genus *Penicillium* (an allergenic fungi), but is rarely a human pathogen. However,

February 8, 2019

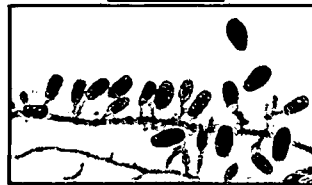
IAQ Report: 1902217- 468 Lakeside Terrace, Glencoe, Illinois 60022

some species have been known to cause kycotic keratitis (inflammation of the eye) and of hyalohyphomycosis (skin lesions) in immune compromised individuals.

Penicillium

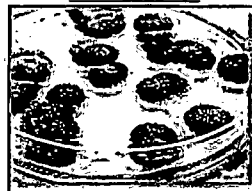
(Pencillium Conidiophores and Pencillium Culture)

Penicillium spores are usually fast growing, and dense. They are brush-like, spear-bearing structures found in shades of green and sometimes white. It is one of the most common household molds, and a frequent food contaminant. It can be found in house dust, carpets, wallpaper, wallpaper glue, decaying fabrics, behind paint and in interior fiberglass duct insulation. It is commonly found in water-damaged buildings. Penicillium is allergenic, and a common cause of extrinsic asthma. Some species are known as potential mycotoxin producers.

Pithomyces

(Pithomyces Conidiophores)

Pithomyces colonies are fast growing, and usually become visible because of their dark pigment. The genus contains 15 species, and is found on litter, dead leaves and soil. It rarely grows indoors but it can grow on paper. Pithomyces is not a known human pathogen, but is often involved with facial eczema of sheep.

Stachybotrys

Stachybotrys lives and grows extremely well on water damaged building materials that are cellulose rich such as sheet rock, paper, ceiling tiles, wood, insulation backing, and wallpaper. It requires water or moisture for days or weeks to grow.

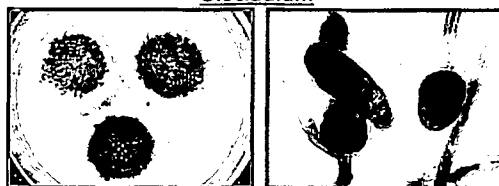
February 8, 2019

IAQ Report: 1902217- 468 Lakeside Terrace, Glencoe, Illinois 60022

Excessive indoor humidity can be a catalyst in the development of *Stachybotrys*. Due to its wet, slimy growth characteristics, it is unusual for spores to become aerosolized; therefore, it is readily identifiable on tape lift samples. However, when colonies of this fungus become dehydrated, there is an increased risk for air dispersion and can then be detected through air sampling techniques.

Extreme caution should be exercised when levels of this organism are amplified, as it has been known to produce mycotoxins that can irritate skin and mucous membranes. Exposure can occur through inhalation, ingestion, or skin exposure when the fungus becomes embedded in the carpet or walls. Several strains of this fungus produce a toxin that is poisonous by inhalation. Individuals with chronic exposure to *Stachybotrys* have reported cold and flu-like symptoms, such as sore throats, headaches, fatigue, and diarrhea. Individuals with chronic respiratory disease may experience trouble breathing. Those with deficient immune systems may be at risk for infection. The actual effect of *Stachybotrys* along with human health has yet to be defined, and is currently the subject of toxin research.

#### Ulocladium



(*Ulocladium* Culture and *Ulocladium* Conidiophores)

*Ulocladium* is a dematiaceous, filamentous fungus that inhabits the soil and decaying herbaceous plants. It is widely distributed in nature and may be isolated from paper, textiles, and wood as well. Species of this genus contain both plant pathogens and food spoilage agents. Other species contain enzymes that are biological control agents. Some members of the genus can invade homes and are a sign of moisture because the mold requires water to thrive. They can cause plant diseases or hay fever and more serious infections in immuno-suppressed individuals.



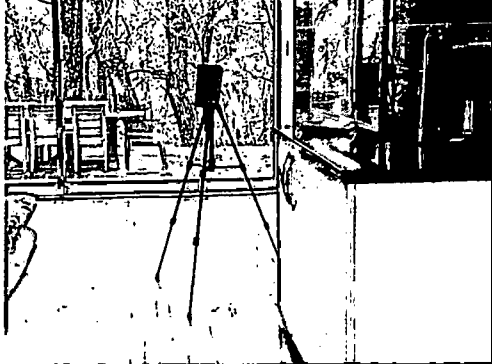
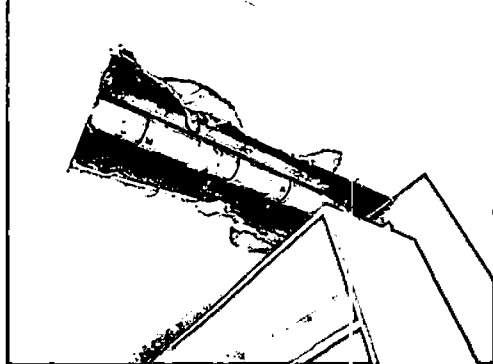

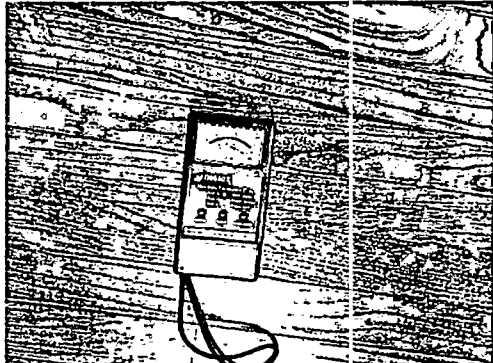
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February 8, 2019

IAQ Report: 1902217- 468 Lakeside Terrace, Glencoe, Illinois 60022

Attachment A – Photographic Documentation

	
<p>Living room area</p>	<p>Water staining/damage to joint tape in living room ceiling</p>
	
<p>Bioaerosol sampling in kitchen</p>	<p>Water damage near source of moisture intrusion in kitchen</p>
	
<p>Elevated moisture reading in kitchen drywall</p>	<p>Elevated moisture reading in hardwood floor, kitchen and hallway</p>

February 8, 2019

IAQ Report: 1902217- 468 Lakeside Terrace, Glencoe, Illinois 60022

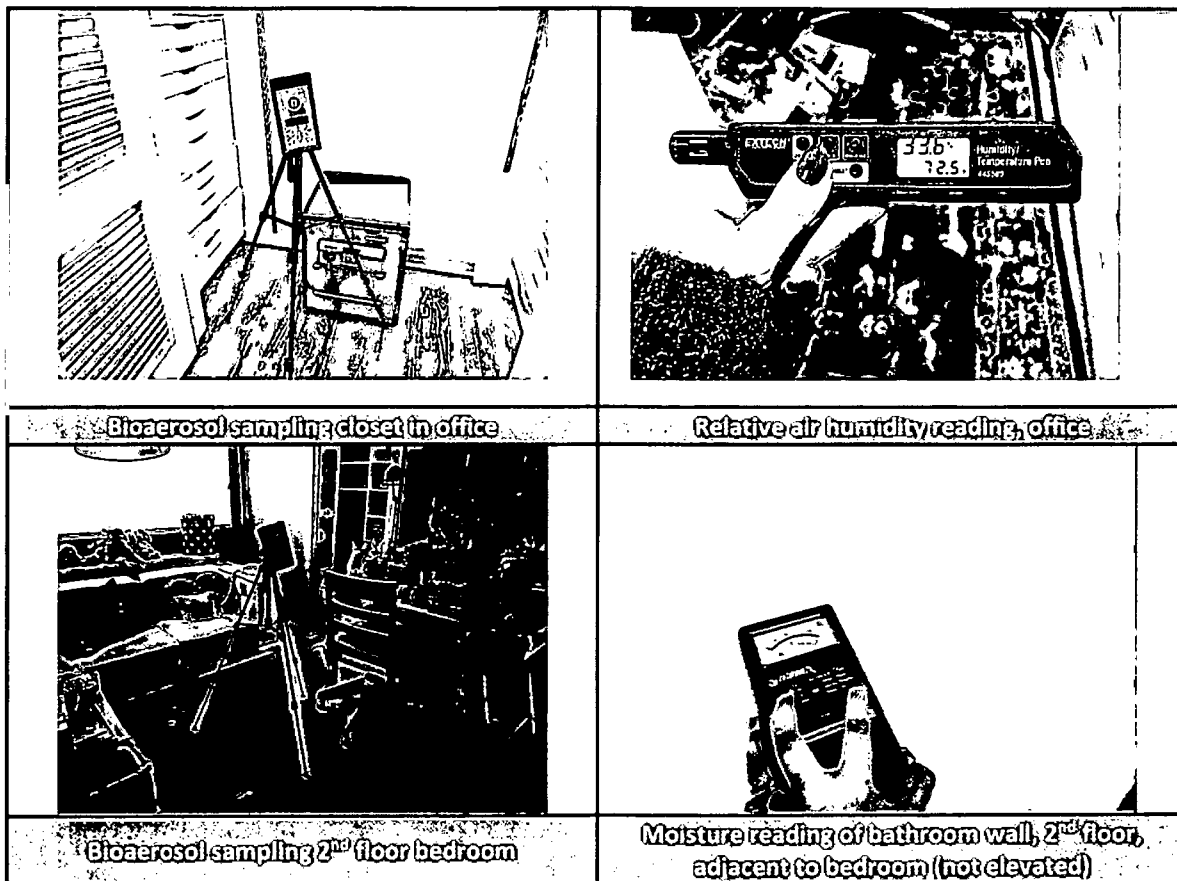
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Elevated moisture reading in wall cavity, opposite side of tiled shower wall	Elevated moisture reading, hallway drywall, below cavity
Water damage, wall cavity, hallway outside bathroom	Water damaged closet in office
Water damaged closet in office	Elevated moisture reading of closet wall

February 8, 2019

IAQ Report: 1902217- 468 Lakeside Terrace, Glencoe, Illinois 60022

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**Attachment B – Analytical Results**

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egsl 

**BIOGENESIS**  
ANALYTICAL813 South Jefferson  
Chicago, Illinois 60607

Phone 312.922.1049

Project Name:

Attention: Michelle Budniak  
Company: Environmental Group Services  
Address 1: 557 West Polk Street  
Address 2: Suite 201  
City, State, Zip Chicago, IL 60607

BAL Order: 19-00176

Client ID: EGSL

Collected: 2/7/2019

Received: 2/8/2019

Analyzed: 2/8/2019



## Test Report: Air-O Cell™ Analysis of Fungal Spores &amp; Particulates by Optical Microscopy EM001

Client Sample ID	AOC-1			AOC-2			AOC-3		
Client Sample Location	Kitchen			Office			2nd Fl. Bedroom		
Sample Description	Inside			Inside			Inside		
Lab ID	19-00176-1			19-00176-2			19-00176-3		
Volume (liters)	150			150			150		
Spore Types	Total Count	Count/m³	% of Total	Total Count	Count/m³	% of Total	Total Count	Count/m³	% of Total
Alternaria				1	19	2.6%			
Ascospores	9	171	28.1%						
Aspergillus/Penicillium Like	18	343	56.3%	17	324	43.6%	7	133	41.2%
Basidiospores									
Bipolaris/Drechslera				2	38	5.1%			
Chaetomium							1	19	5.9%
Cladosporium	3	57	9.4%	11	210	28.2%	6	114	35.3%
Curvularia									
Epicoccum				1	19	2.6%			
Fusarium									
Myxomycete/Smut	1	19	3.1%	3	57	7.7%			
Nigrospora									
Non-Specified Spore	1	19	3.1%	1	19	2.6%	1	19	5.9%
Pithomyces									
Rust							1	19	5.9%
Stachybotrys				3	57	7.7%	1	19	5.9%
Torula									
Ulocladium									
Total Fungi	32	610	100.0%	39	743	100.0%	17	324	100.0%
Hyphal Fragments	1	19	3.1%	4	76	10.3%			
Insect Fragments									
Pollen									
Detection Limit Spores/m³	19			19			19		
Skin Fragments	3			2			3		
Fiber Particulate	1			1			1		
Background Debris Level	2			4			2		

May indicate water damage

## NOTES:

No discernible field blank was submitted with this group of samples. Biogenesis Analytical maintains liability limited to cost of analysis. This report relates only to the samples reported above and may not be reproduced, except in full, without written approval by Biogenesis Analytical. Biogenesis Analytical bears no responsibility for sample collection activities or analytical method limitations. Interpretation and use of test results are the responsibility of the client. Samples received in good condition unless otherwise noted. A result of None Found or "—" indicates the presence of less than the Detection Limit. The measurement uncertainty available upon request.

Nancy McDonald, Laboratory Manager

**BIOGENESIS**  
ANALYTICAL813 South Jefferson  
Chicago, Illinois 60607  
Phone 312.922.1049Attention: Michelle Budniak  
Company: Environmental Group Services  
Address 1: 557 West Polk Street  
Address 2: Suite 201  
City, State, Zip Chicago, IL 60607

BAL Order: 19-00176

Client ID: EGSL

Collected: 2/7/2019

Received: 2/8/2019

Analyzed: 2/8/2019



Project Name: 1902217 Belfor NB, Wexler, 468 Lakeside Ter, Glencoe

## Test Report: Air-O Cell™ Analysis of Fungal Spores &amp; Particulates by Optical Microscopy EM001

Client Sample ID	BG-1								
Client Sample Location	Background Outside								
Sample Description	Background								
Lab ID	19-00176-4								
Volume (liters)	150			150			150		
Spore Types	Total Count	Count/m³	% of Total	Total Count	Count/m³	% of Total	Total Count	Count/m³	% of Total
Alternaria									
Ascospores	4	76	28.6%						
Aspergillus/Penicillium Like	4	76	28.6%						
Basidiospores									
Bipolaris/Drechslera									
Chaetomium									
Cladosporium	5	95	35.7%						
Curvularia									
Epicoccum									
Fusarium									
Myxomycete/Smut									
Nigrospora	1	19	7.1%						
Non-Specified Spore									
Pithomyces									
Rust									
Stachybotrys									
Torula									
Ulocladium									
Total Fungi	14	267	100.0%	0			0		
Hyphal Fragments									
Insect Fragments									
Pollen									
Detection Limit Spores/m³	19			19			19		
Skin Fragments	1								
Fiber Particulate	1								
Background Debris Level	1								

May indicate water damage

## NOTES:

No discernible field blank was submitted with this group of samples. Biogenesis Analytical maintains liability limited to cost of analysis. This report relates only to the samples reported above and may not be reproduced, except in full, without written approval by Biogenesis Analytical. Biogenesis Analytical bears no responsibility for sample collection activities or analytical method limitations. Interpretation and use of test results are the responsibility of the client. Samples received in good condition unless otherwise noted. A result of None Found or "—" indicates the presence of less than the Detection Limit. The measurement uncertainty available upon request.

*Nancy McDonald*

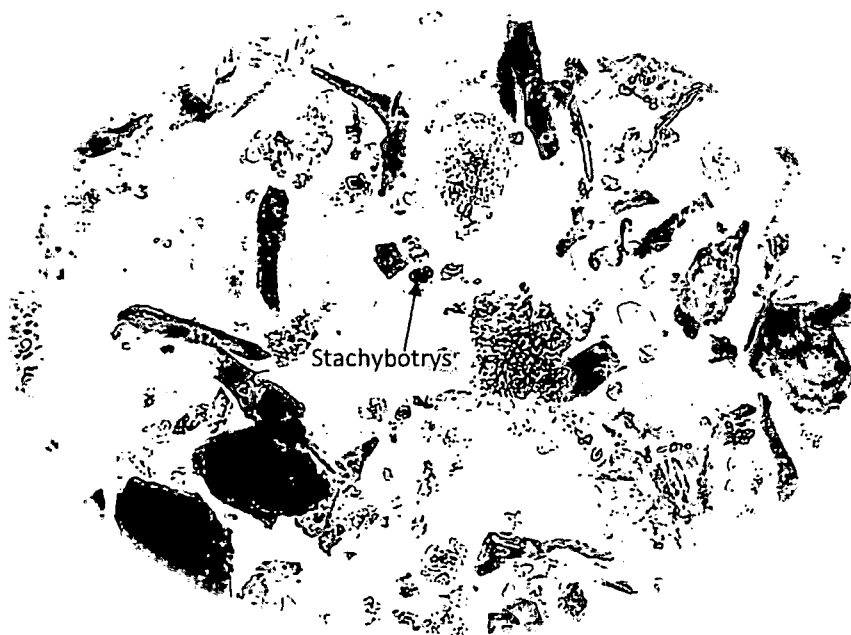
Nancy McDonald, Laboratory Manager

# BIOGENESIS

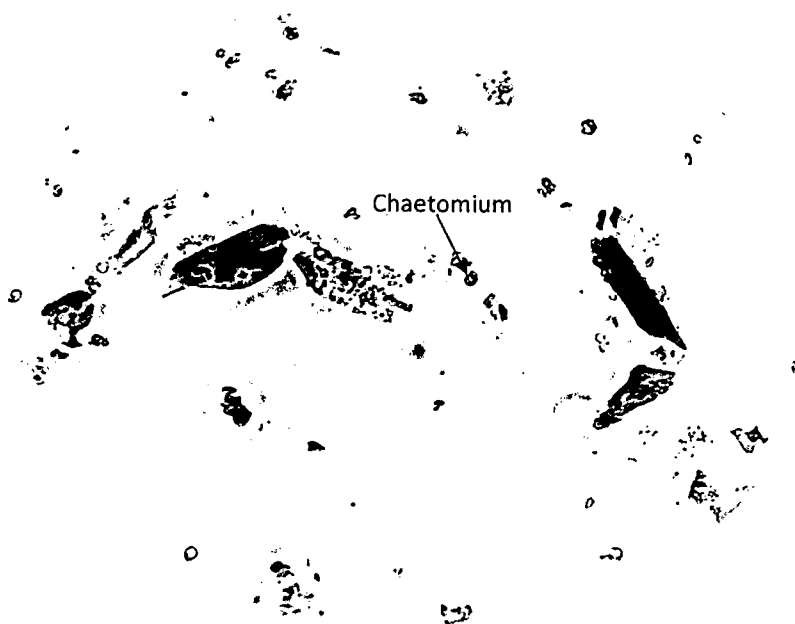
ANALYTICAL

EGSL Project: 1902217  
Belfor NB, Wexler, 468 Lakeside Ter.,  
Glencoe  
2/8/2019

FILED DATE: 1/29/2021 4:34 PM 2021L001093



Office – Air Sample



2<sup>nd</sup> Fl. Bedroom – Air Sample

# BIOGENESIS

## ANALYTICAL

19-00176


### CHAIN OF CUSTODY INDOOR AIR QUALITY LAB SERVICES

Please print all information legibly.

<b>Company:</b>	EGSL	<b>Bill To:</b>	EGSL
<b>Address 1:</b>	557 West Polk St.	<b>Address 1:</b>	557 West Polk St.
<b>Address 2:</b>	Suite 201	<b>Address 2:</b>	Suite 201
<b>City, State:</b>	Chicago, IL	<b>City, State:</b>	Chicago, IL
<b>Zip Code:</b>	60607	<b>Zip Code:</b>	60607
<b>Country:</b>	USA	<b>Country:</b>	USA
<b>Contact Name:</b>	Michelle Budniak	<b>Attention:</b>	Michelle
<b>Contact Phone:</b>	312-447-1200	<b>Contact Phone:</b>	(same)
<b>Fax Number:</b>	312-447-0922	<b>Fax Number:</b>	(same)
<b>Email:</b>	Michelle@egsl.com	<b>Email:</b>	michelle@egsl.com
<b>Project Client:</b>	Belt for NB	<b>Project Name:</b>	WIKTLP
<b>Project Address:</b>	4168 Lakeside Ter, Glenview	<b>Project Number:</b>	1902217
<b>Sampled By:</b>	Michelle Budniak	<b>Sampling Date:</b>	2/7/19

Test Type: ☒ AOC ☐ Bulk/Tape Lift ☐ Sewage ScreenTurnaround Time: 3-Hour ☒ 6-Hour ☐ 24-Hour ☐ 48-Hour ☐ 72-Hour

SAMPLE ID	LOCATION	Liters Per Minute	Minutes Sampled	COMMENTS
AOC-1	Kitchen	1.5	10	
AOC-2	Office			
AOC-3	2nd Fl. Bedroom			
BG-1	Backyard Outside			

Released By 	Date 2/8/19 8:00	Received By 9:40 am 2/8/19 A.S.
COMMENTS		

BIOGENESIS  
ANALYTICAL

813 South Jefferson Street, Suite 100, Chicago, Illinois 60607 312.922.1049 p 312.922.1058 f

Exhibit 2

Return Date: No return date scheduled  
Hearing Date: No hearing scheduled  
Courtroom Number: No hearing scheduled  
Location: No hearing scheduled

FILED  
1/29/2021 4:34 PM  
IRIS Y. MARTINEZ  
CIRCUIT CLERK  
COOK COUNTY, IL  
2021L001093

### **EXECUTIVE SUMMARY**

DSH&SC was retained to provide a mold-related inspection with sampling at an Unoccupied Private Residence, located at 468 Lakeside Terrace in Glencoe, Illinois.

12033524

Mold sampling included both air and surface tape-lift sampling throughout the residence. In addition, a moisture meter was utilized to assess whether excess moisture was present at various locations throughout the Residence.

The purposes for this inspection/sampling was to determine whether:

1. airborne mold concentrations at the sampled areas were significantly different from those present in the outdoor air;
2. surface dusts contained molds commonly associated with moisture impacted building materials, and
3. moisture levels were present at elevated levels such that mold growth/proliferation would be supported.

This visit occurred on July 7, 2020.

#### **Incidental Observations:**

- Standing water was present at the lower level utility room
- A "musty odor" commonly associated with mold was detected within the Crawlspace.

Based on the results from this visit, the following conclusions are reached:

- A source(s) of airborne molds independent of the outside air was detected at each sampled area excepting the "additional upper level bedroom" of the Residence.
- Significantly elevated overall airborne mold concentrations (compared with the Outside Air) were detected at each lower level sample area (including at the Crawlspace).
- Surface dusts containing a high abundance of mold commonly associated with the presence of moisture impacted building materials at the lower level south common wall wooden sill plate adjacent to the crawlspace was detected.
- Elevated moisture was detected at the lower level wooden sill plate of the north wall.

Based on these conclusions, the following recommendations are provided:

- Consult with a qualified engineer/architect to provide for dehumidification and/or exhaust ventilation to serve the Crawlspace area.
- Ensure that moisture drainage is directed away from the Residence, particularly at the north side of the Residence where elevated moisture was detected at the wooden sill plate.
- Provide for physical separation between the Crawlspace and interior areas of the Residence.
- Investigate and address source(s) of uncontrolled moisture (including standing water such as was noted at the lower level utility room) as soon as

Unoccupied Private Residence  
468 Lakeside Terrace  
Glencoe, IL 60022  
DSH&SC Project # 20-07-CHUBB

**Exhibit 3**

FILED DATE: 1/29/2021 4:34 PM 2021L001093

## **EXECUTIVE SUMMARY**

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- Provide for physical separation between the Crawlspace and interior areas of the Residence.
- Investigate and address source(s) of uncontrolled moisture (including standing water such as was noted at the lower level utility room) as soon as

Unoccupied Private Residence  
468 Lakeside Terrace  
Glencoe, IL 60022  
DSH&SC Project # 20-07-CHUBB



possible to prevent and minimize further unwanted mold growth/proliferation. Such sources may include "building skin" elements, such as roof, windows, etc.

- Remediate the Lower Level South Common Wall Wooden Sill Plate adjacent to Crawlspace in accordance with EPA/AIHA guidelines.

Such remediation involves the following:

- controlled removal of moisture/mold impacted building materials (if any);
  - utilizing damp cleaning and HEPA filtered vacuums and to eliminate all dusts to the extent feasible, (note that tools with HEPA filtered exhausts only should be used when generating dusts-such as when sanding), and
  - re-testing involved areas to demonstrate the effectiveness of remediation efforts.
- **Do not use bleach** for remediation purposes.
  - Consider the use of HEPA filtered ventilation units to "scrub" the inside air of the residence during the remediation process.
  - Inform and educate building management of the presence of uncontrolled water as soon as possible. Building authorities should address any report of uncontrolled water as an urgent matter requiring prompt action to control the water and dry/replace any impacted building material and/or furnishings as needed.

## INTRODUCTION

DSH&SC was retained to provide a mold-related inspection with sampling at an Unoccupied Private Residence, located at 468 Lakeside Terrace in Glencoe, Illinois.

Mold sampling included both air and surface tape-lift sampling throughout the residence. In addition, a moisture meter was utilized to assess whether excess moisture was present at various locations throughout the Residence.

The purposes for this inspection/sampling was to determine whether:

1. airborne mold concentrations at the sampled areas were significantly different from those present in the outdoor air;
2. surface dusts contained molds commonly associated with moisture impacted building materials, and
3. moisture levels were present at elevated levels such that mold growth/proliferation would be supported.

This visit occurred on July 7, 2020.

DSH&SC was represented onsite by David W. Sloman, CIH.

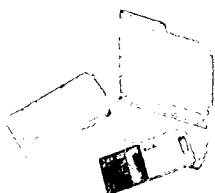
## METHODS

- *Airborne Mold Spore Sampling*



The spore trap air sampling was performed using a high volume air-sampling pump attached to an Air-O-Cell cassette provided by Zefon Corporation containing a tacky substance used to trap mold spores from air through the method of impaction. For this sampling, pumps operated for approximately five minutes in each location at 15 liters per minute, according to manufacturer's recommendations. The air sampling process impacts particulates (including mold fragments) onto the Air-O-Cell cassette, which is then forwarded to a laboratory for microbial identification.

### Surface Tape-lift Sample Results



The tape-lift sampling was performed using Bio-Tape provided by Zefon Corporation containing a tacky substance used to trap dusts, including mold spores from surfaces through the method of impaction. The sampling process impacts particulates (including mold fragments) onto the slide, which is then labelled and forwarded to a laboratory for microbial identification.

Unoccupied Private Residence  
468 Lakeside Terrace  
Glencoe, IL 60022  
DSH&SC Project # 20-07-CHUBB

An independent laboratory (STAT Analysis Corporation, Chicago, Illinois) accredited by the American Industrial Hygiene Association (AIHA) was used for all microscopic identification.

## RESULTS

### Airborne Mold Sampling Results

The table below displays the results of the airborne mold spore sampling. The table displays the sample ID numbers, sampled locations, types of spores detected, their concentrations, and their percent of the total spores detected in the respective sample.

Sample ID Number	Sampled Location	Molds Detected	Concentration (counts/m <sup>3</sup> )	Percent of Total Molds
29966173	Outside Air at Front entranceway	Alternaria	40	3.8
		Ascospores	67	6.3
		Aspergillus/Penicillium	13	1.3
		Basidiospores	240	22.5
		Cladosporium	533	50.0
		Curvularia	13	1.3
		Epicoccum	13	1.3
		Nigrospora	13	1.3
		Pithomyces	13	1.3
		Rusts	13	1.3
		Smuts/Myxomycetes	107	10.0
29969141	Garage	Alternaria	13	5.3
		Ascospores	53	21.1
		Aspergillus/Penicillium	13	5.3
		Pithomyces	13	5.3
		Smuts/Myxomycetes	160	63.2
29966170	Lower Level Utility Area	Ascospores	13	0.2
		Aspergillus/Penicillium	6400	96.4
		Basidiospores	40	0.6
		Cladosporium	53	0.8
		Pithomyces	13	0.2
		Smuts/Myxomycetes	120	1.8
29966183	Crawlspace	Ascospores	13	0.1
		Aspergillus/Penicillium	9600	88.8
		Basidiospores	53	0.5
		Cladosporium	733	7.2
		Periconia	13	0.1
		Smuts/Myxomycetes	200	1.8
		Stachybotrys	160	1.5
29966167	Lower Level Fireplace Area	Aspergillus/Penicillium	13333	96.7
		Basidiospores	93	0.7
		Cladosporium	227	1.6

Unoccupied Private Residence  
468 Lakeside Terrace  
Glencoe, IL 60022  
DSH&SC Project # 20-07-CHUBB

FILED DATE: 1/29/2021 4:34 PM 2021L001093

		Epicoecum	13	0.1
		Pithomyces	13	0.1
		Smuts/Myxomycetes	107	0.8
29966179	Kitchen	Ascospores	27	2.4
		Aspergillus/Penicillium	800	73.2
		Basidiospores	53	4.9
		Cladosporium	40	3.7
		Pithomyces	27	2.4
		Smuts/Myxomycetes	147	13.4
29966190	Mid-level Bath Area	Alternaria	53	4.5
		Ascospores	107	9.0
		Aspergillus/Penicillium	293	24.7
		Basidiospores	93	7.9
		Chaetomium	27	2.2
		Cladosporium	427	36.0
		Epicoecum	27	2.2
		Nigrospora	40	3.4
		Smuts/Myxomycetes	120	10.1
29966175	Upper level Master Bedroom	Ascospores	40	4.6
		Aspergillus/Penicillium	400	4.2
		Basidiospores	93	10.8
		Chaetomium	27	3.1
		Cladosporium	147	16.9
		Epicoecum	13	1.5
		Smuts/Myxomycetes	133	15.4
		Stachybotrys	13	1.5
29966168	Additional Upper level Bedroom	Alternaria	13	3.0
		Ascospores	27	6.1
		Aspergillus/Penicillium	93	21.2
		Basidiospores	107	24.2
		Cladosporium	80	18.2
		Periconia	13	3.0
29966189	Outside Air at Rear of Residence	Smuts/Myxomycetes	107	24.2
		Alternaria	67	4.4
		Ascospores	80	5.3
		Aspergillus/Penicillium	467	31.0
		Basidiospores	293	19.5
		Cladosporium	387	25.7
		Periconia	13	0.9
		Polythrincium	13	0.9
		Smuts/Myxomycetes	187	12.4

*Aspergillus/Penicillium*, *Chaetomium* and *Stachybotrys* are molds that are characteristically present and associated with moisture impacted building materials. These results are somewhat confounded given the presence of *Aspergillus/Penicillium* in the outside air (particularly at the Rear of the Residence).

Unoccupied Private Residence  
 468 Lakeside Terrace  
 Glencoe, IL 60022  
 DSH&SC Project # 20-07-CHUBB

Exhibit 3

FILED DATE: 1/29/2021 4:34 PM 2021L001093

However, given the presence of *Chaetomium* and/or *Stachybotrys* in several indoor locations and the significantly greater percent of *Aspergillus/Penicillium* at several indoor locations (compared with the outside air), source(s) of airborne mold are considered present independent of the Outside Air at each sampled indoor area with the exception of:

- Additional Upper Level Bedroom.

Note also the significantly greater overall mold concentration at the following sampled locations:

- Lower Level Utility Area
- Crawlspace, and
- Lower Level Fireplace Area.

Unoccupied Private Residence  
468 Lakeside Terrace  
Glencoe, IL 60022  
DSH&SC Project # 20-07-CHUBB

**Exhibit 3**

Surface Tape-lift Sample Results

The table below displays the results of the airborne mold spore sampling. The table displays the sample ID numbers, sampled locations, types of spores detected and their relative abundance in the respective sample.

Sample ID Number	Sampled Location	Types of Spores Detected	Relative Abundance
1	Lower Level South Common Wall Wooden Sill Plate adjacent to Crawlspace	<i>Aspergillus/Penicillium</i>	High
		<i>Smuts/Myxomycetes</i>	Moderate
2	Mid-Level Bathroom Closet Floor	<i>Smuts/Myxomycetes</i>	Low
3	Mid-level Bathroom Sink Area Floor	<i>Smuts/Myxomycetes</i>	Low
4	Upper Level Bathroom Sink Area Floor	<i>Smuts/Myxomycetes</i>	Low
5	Upper Level Shower Area Floor	<i>Smuts/Myxomycetes</i>	Low
6	Lower Level North Exterior Wall Wooden Sill Plate	<i>Smuts/Myxomycetes</i>	Low
7	Kitchen Floor	<i>Alternaria</i>	Low
		<i>Smuts/Myxomycetes</i>	Low
8	Main Level Bathroom Floor	<i>Smuts/Myxomycetes</i>	Moderate

*Aspergillus/Penicillium*, *Chaetomium* and *Stachybotrys* are molds that are characteristically present and associated with moisture impacted building materials. None of these molds were detected in any Surface Tape-lift Sample excepting *Aspergillus/Penicillium* detected in "High Abundance" at the Lower Level South Common Wall Wooden Sill Plate adjacent to Crawlspace.

No surface tape-lift samples were collected from the crawlspace area.

Moisture Measurement Results

No elevated moisture levels were detected except at:

- Lower level wooden sill plate at the north wall.

*Note that no moisture measurements were made in the Crawlspace. Wooden components in this area should be considered to possess elevated moisture levels.*

**Incidental Observations:**

- Standing water was noted at the floor in the Lower Level Utility Room.

Unoccupied Private Residence  
468 Lakeside Terrace  
Glencoe, IL 60022  
DSH&SC Project # 20-07-CHUBB

## **EXECUTIVE SUMMARY**

DSH&SC was retained to provide a mold-related inspection with sampling at an Unoccupied Private Residence, located at 468 Lakeside Terrace in Glencoe, Illinois.

Mold sampling included both air and surface tape-lift sampling throughout the residence. In addition, a moisture meter was utilized to assess whether excess moisture was present at various locations throughout the Residence.

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1. airborne mold concentrations at the sampled areas were significantly different from those present in the outdoor air;
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This visit occurred on July 7, 2020.

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- Ensure that moisture drainage is directed away from the Residence, particularly at the north side of the Residence where elevated moisture was detected at the wooden sill plate.
- Provide for physical separation between the Crawlspace and interior areas of the Residence.
- Investigate and address source(s) of uncontrolled moisture (including standing water such as was noted at the lower level utility room) as soon as

Unoccupied Private Residence  
468 Lakeside Terrace  
Glencoe, IL 60022  
DSH&SC Project # 20-07-CHUBB



possible to prevent and minimize further unwanted mold growth/proliferation. Such sources may include "building skin" elements, such as roof, windows, etc.

- Remediate the Lower Level South Common Wall Wooden Sill Plate adjacent to Crawlspace in accordance with EPA/AIHA guidelines.

Such remediation involves the following:

- controlled removal of moisture/mold impacted building materials (if any);
  - utilizing damp cleaning and HEPA filtered vacuums and to eliminate all dusts to the extent feasible, (note that tools with HEPA filtered exhausts only should be used when generating dusts-such as when sanding), and
  - re-testing involved areas to demonstrate the effectiveness of remediation efforts.
- **Do not use bleach** for remediation purposes.
  - Consider the use of HEPA filtered ventilation units to "scrub" the inside air of the residence during the remediation process.
  - Inform and educate building management of the presence of uncontrolled water as soon as possible. Building authorities should address any report of uncontrolled water as an urgent matter requiring prompt action to control the water and dry/replace any impacted building material and/or furnishings as needed.

## INTRODUCTION

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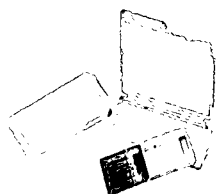
## METHODS

- *Airborne Mold Spore Sampling*



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Unoccupied Private Residence  
468 Lakeside Terrace  
Glencoe, IL 60022  
DSH&SC Project # 20-07-CHUBB

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## RESULTS

### Airborne Mold Sampling Results

The table below displays the results of the airborne mold spore sampling. The table displays the sample ID numbers, sampled locations, types of spores detected, their concentrations, and their percent of the total spores detected in the respective sample.

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29966173	Outside Air at Front entranceway	Alternaria	40	3.8
		Ascospores	67	6.3
		Aspergillus/Penicillium	13	1.3
		Basidiospores	240	22.5
		Cladosporium	533	50.0
		Curvularia	13	1.3
		Epicoccum	13	1.3
		Nigrospora	13	1.3
		Pithomyces	13	1.3
		Rusts	13	1.3
		Smuts/Myxomycetes	107	10.0
29969141	Garage	Alternaria	13	5.3
		Ascospores	53	21.1
		Aspergillus/Penicillium	13	5.3
		Pithomyces	13	5.3
		Smuts/Myxomycetes	160	63.2
29966170	Lower Level Utility Area	Ascospores	13	0.2
		Aspergillus/Penicillium	6400	96.4
		Basidiospores	40	0.6
		Cladosporium	53	0.8
		Pithomyces	13	0.2
		Smuts/Myxomycetes	120	1.8
29966183	Crawlspace	Ascospores	13	0.1
		Aspergillus/Penicillium	9600	88.8
		Basidiospores	53	0.5
		Cladosporium	733	7.2
		Periconia	13	0.1
		Smuts/Myxomycetes	200	1.8
		Stachybotrys	160	1.5
29966167	Lower Level Fireplace Area	Aspergillus/Penicillium	13333	96.7
		Basidiospores	93	0.7
		Cladosporium	227	1.6

Unoccupied Private Residence  
468 Lakeside Terrace  
Glencoe, IL 60022  
DSH&SC Project # 20-07-CHUBB

FILED DATE: 1/29/2021 4:34 PM 2021L001093

29966179	Kitchen	Epicoccum	13	0.1
		Pithomyces	13	0.1
		Smuts/Myxomycetes	107	0.8
		Ascospores	27	2.4
		Aspergillus/Penicillium	800	73.2
		Basidiospores	53	4.9
		Cladosporium	40	3.7
		Pithomyces	27	2.4
29966190	Mid-level Bath Area	Smuts/Myxomycetes	147	13.4
		Alternaria	53	4.5
		Ascospores	107	9.0
		Aspergillus/Penicillium	293	24.7
		Basidiospores	93	7.9
		Chaetomium	27	2.2
		Cladosporium	427	36.0
		Epicoccum	27	2.2
29966175	Upper level Master Bedroom	Nigrospora	40	3.4
		Smuts/Myxomycetes	120	10.1
		Ascospores	40	4.6
		Aspergillus/Penicillium	400	4.2
		Basidiospores	93	10.8
		Chaetomium	27	3.1
		Cladosporium	147	16.9
		Epicoccum	13	1.5
29966168	Additional Upper level Bedroom	Smuts/Myxomycetes	133	15.4
		Stachybotrys	13	1.5
		Alternaria	13	3.0
		Ascospores	27	6.1
		Aspergillus/Penicillium	93	21.2
		Basidiospores	107	24.2
		Cladosporium	80	18.2
		Periconia	13	3.0
29966189	Outside Air at Rear of Residence	Smuts/Myxomycetes	107	24.2
		Alternaria	67	4.4
		Ascospores	80	5.3
		Aspergillus/Penicillium	467	31.0
		Basidiospores	293	19.5
		Cladosporium	387	25.7
		Periconia	13	0.9
		Polythrincium	13	0.9
		Smuts/Myxomycetes	187	12.4

*Aspergillus/Penicillium*, *Chaetomium* and *Stachybotrys* are molds that are characteristically present and associated with moisture impacted building materials. These results are somewhat confounded given the presence of *Aspergillus/Penicillium* in the outside air (particularly at the Rear of the Residence).

Unoccupied Private Residence  
 468 Lakeside Terrace  
 Glencoe, IL 60022  
 DSH&SC Project # 20-07-CHUBB

Exhibit 3

FILED DATE: 1/29/2021 4:34 PM 2021L001093

However, given the presence of *Chaetomium* and/or *Stachybotrys* in several indoor locations and the significantly greater percent of *Aspergillus/Penicillium* at several indoor locations (compared with the outside air), source(s) of airborne mold are considered present independent of the Outside Air at each sampled indoor area with the exception of:

- Additional Upper Level Bedroom.

Note also the significantly greater overall mold concentration at the following sampled locations:

- Lower Level Utility Area
- Crawlspace, and
- Lower Level Fireplace Area.

Unoccupied Private Residence  
468 Lakeside Terrace  
Glencoe, IL 60022  
DSH&SC Project # 20-07-CHUBB

**Exhibit 3**

Surface Tape-lift Sample Results

The table below displays the results of the airborne mold spore sampling. The table displays the sample ID numbers, sampled locations, types of spores detected and their relative abundance in the respective sample.

Sample ID Number	Sampled Location	Types of Spores Detected	Relative Abundance
1	Lower Level South Common Wall Wooden Sill Plate adjacent to Crawlspace	<i>Aspergillus/Penicillium</i>	High
		<i>Smuts/Myxomycetes</i>	Moderate
2	Mid-Level Bathroom Closet Floor	<i>Smuts/Myxomycetes</i>	Low
3	Mid-level Bathroom Sink Area Floor	<i>Smuts/Myxomycetes</i>	Low
4	Upper Level Bathroom Sink Area Floor	<i>Smuts/Myxomycetes</i>	Low
5	Upper Level Shower Area Floor	<i>Smuts/Myxomycetes</i>	Low
6	Lower Level North Exterior Wall Wooden Sill Plate	<i>Smuts/Myxomycetes</i>	Low
7	Kitchen Floor	<i>Alternaria</i>	Low
		<i>Smuts/Myxomycetes</i>	Low
8	Main Level Bathroom Floor	<i>Smuts/Myxomycetes</i>	Moderate

*Aspergillus/Penicillium*, *Chaetomium* and *Stachybotrys* are molds that are characteristically present and associated with moisture impacted building materials. None of these molds were detected in any Surface Tape-lift Sample excepting *Aspergillus/Penicillium* detected in "High Abundance" at the Lower Level South Common Wall Wooden Sill Plate adjacent to Crawlspace.

No surface tape-lift samples were collected from the crawlspace area.

Moisture Measurement Results

No elevated moisture levels were detected except at:

- Lower level wooden sill plate at the north wall.

*Note that no moisture measurements were made in the Crawlspace. Wooden components in this area should be considered to possess elevated moisture levels.*

**Incidental Observations:**

- Standing water was noted at the floor in the Lower Level Utility Room.

Unoccupied Private Residence  
468 Lakeside Terrace  
Glencoe, IL 60022  
DSH&SC Project # 20-07-CHUBB

- A significant "musty odor" was present within the Crawlspace. Such an odor is commonly characteristic of the presence of molds.

A copy of the laboratory analysis report for these samples is provided in Appendix 1. Photos of the sampled and moisture tested areas are provided in Appendix 2.

## CONCLUSIONS AND RECOMMENDATIONS

There is no uniformity in the suggested guidelines for acceptable levels of molds in indoor ambient air. Thus, health professionals have no way to determine what levels of molds may pose a threat to human health.

According to the American Conference of Governmental Industrial Hygienists (ACGIH), an independent source of molds likely exists indoors when either of the following conditions exists:

- There is a significantly greater concentration of molds present indoors compared with outdoors (barring a heavy snow covering or rainfall), or
- The types of molds present indoors are significantly different than the types of molds present outdoors.

Given the presence of *Chaetomium* and/or *Stachybotrys* in several indoor locations and the significantly greater percent of *Aspergillus/Penicillium* at several indoor locations (compared with the outside air), source(s) of airborne mold are considered present independent of the Outside Air at each sampled area with the exception of:

- Additional Upper Level Bedroom.

Note also the significantly greater overall mold concentration at the Lower Level Utility Area, Crawlspace, and the Lower Level Fireplace Area.

- Surface dust results were generally unremarkable excepting for the "high abundance" of *Aspergillus/Penicillium* detected at the Lower Level South Common Wall Wooden Sill Plate adjacent to Crawlspace. This result is consistent with the levels of *Aspergillus/Penicillium* detected in each of the lower level (including Crawlspace) air samples.
- Moisture measurements were generally also unremarkable with the exception of elevated moisture detected at Lower Level Wooden Sill Plate at the North Wall.

Based on these results, the following conclusions are reached:

- A source(s) of airborne molds independent of the outside air was detected at each sampled area excepting the "additional upper level bedroom" of the Private Residence.
- Significantly elevated overall airborne mold concentrations (compared with the Outside Air) were detected at each lower level sample area (including at the Crawlspace).

Unoccupied Private Residence  
468 Lakeside Terrace  
Glencoe, IL 60022  
DSH&SC Project # 20-07-CHUBB



FILED DATE: 1/29/2021 4:34 PM 2021L001093

- Surface dusts containing high abundance of a mold commonly associated with the presence of moisture impacted building materials at the lower level south common wall wooden sill plate adjacent to the crawlspace.
- Elevated moisture was detected at lower level wooden sill plate at the north wall.

Unoccupied Private Residence  
468 Lakeside Terrace  
Glencoe, IL 60022  
DSH&SC Project # 20-07-CHUBB

**Exhibit 3**

FILED DATE: 1/29/2021 4:34 PM 2021L001093

Based on these conclusions, the following recommendations are provided:

- Consult with a qualified engineer/architect to provide for dehumidification and/or exhaust ventilation to serve the Crawlspace area.
- Ensure that moisture drainage is directed away from the Residence, particularly at the north side of the Residence where elevated moisture was detected at the wooden sill plate.
- Provide for physical separation between the Crawlspace and interior areas of the Residence.
- Investigate and address source(s) of uncontrolled moisture (including standing water such as was noted at the lower level utility room) as soon as possible to prevent and minimize further unwanted mold growth/proliferation. Such sources may include "building skin" elements, such as roof, windows, etc.
- Remediate the Lower Level South Common Wall Wooden Sill Plate adjacent to Crawlspace in accordance with EPA/AIHA guidelines.

Such remediation involves the following:

- controlled removal of moisture/mold impacted building materials (if any);
  - utilizing damp cleaning and HEPA filtered vacuums and to eliminate all dusts to the extent feasible, (note that tools with HEPA filtered exhausts only should be used when generating dusts-such as when sanding), and
  - re-testing involved areas to demonstrate the effectiveness of remediation efforts.
- **Do not use** bleach for remediation purposes.
  - Consider the use of HEPA filtered ventilation units to "scrub" the inside air of the residence during the remediation process.
  - Inform and educate building management of the presence of uncontrolled water as soon as possible. Building authorities should address any report of uncontrolled water as an urgent matter requiring prompt action to control the water and dry/replace any impacted building material and/or furnishings as needed.

Respectfully submitted,



David W. Sloman, CIH  
DSH&SC  
(847) 970-0628 (cell)

Appendices (3)

1. Laboratory Analysis Report
2. Photos
3. Certification

Unoccupied Private Residence  
468 Lakeside Terrace  
Glencoe, IL 60022  
DSH&SC Project # 20-07-CHUBB

FILED DATE: 1/29/2021 4:34 PM 2021L001093

**APPENDIX 1**  
**Laboratory Analysis Report**  
**Private Residence**  
**Glencoe, Illinois**  
**July 7, 2020**

**Air Sample Results**

**STAT Analysis Corporation:**

2242 West Harrison St., Suite 200, Chicago, Illinois 60612-3766  
 Tel: 312.733.0551; Fax: 312.733.2386; e-mail address: STATInfo@STATAnalysis.com

**Analytical Report for Microbiological Analysis - Fungal Spores in Air**

Client: David W. Sloman  
 Project ID: Werler Residence, Glencoe  
 STAT Project No.: 20070238

Date Time Received: 7/7/2020 1:45 PM  
 Date Analyzed: 7/13/2020  
 Analyzed By: DM  
 QC By: AM

Client Sample No.:	29966173				29969141				29966170				29966183			
Sample Description:																
Date Sampled:	7/7/2020				7/7/2020				7/7/2020				7/7/2020			
STAT Sample No.:	20070238-001				20070238-002				20070238-003				20070238-004			
Volume (m³):	0.075				0.075				0.075				0.075			
	Total Count	Count m²	DL	%	Total Count	Count m²	DL	%	Total Count	Count m²	DL	%	Total Count	Count m²	DL	%
Total Fungal Spores:	80	1,067	13	100	19	253	13	100	498	6,640	13	100	811	10,813	13	100
Alternaria	3	40		3.8	1	13		5.3								
Ascospores	5	67		6.3	4	53		21.1	1	13		0.2	1	13		0.1
Aspergillus/Penicillium	1	13		1.3	1	13		5.3	480	6,400		96.4	720	9,600		88.8
Basidiospores	18	240		22.5					3	40		0.6	4	53		0.5
Botrytis																
Cercospora																
Chaetomium																
Cladosporium	40	533		50.0					4	53		0.8	58	773		7.2
Curvularia	1	13		1.3												
Drechslera/Bipolaris																
Epicoccum	1	13		1.3												
Fusarium																
Nigrospora	1	13		1.3												
Oidium/Erysiphe																
Periconia													1	13		0.1
Phoma																
Pirhomyces	1	13		1.3	1	13		5.3	1	13		0.2				
Pleospora																
Polythrincium																
Rhizopus/Mucor																
Rusts	1	13		1.3												
Smuts/Myxomycetes	8	107		10.0	12	160		63.2	9	120		1.8	15	200		1.8
Stachybotrys													12	160		1.5
Stemphylium																
Torula																
Ulocladium																
Unidentified Fungi																
Other																
Mycelial Fragments																
Debris Level	Moderate				Moderate				Moderate				Moderate			
Organic Material	Present				Present				Present				Present			

DL - Detection Limit = Spores/m<sup>3</sup>

SOP 6110

Unoccupied Private Residence  
 468 Lakeside Terrace  
 Glencoe, IL 60022  
 DSH&SC Project # 20-07-CHUBB

Exhibit 3

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**STAT Analysis Corporation:**2242 West Harrison St., Suite 200, Chicago, Illinois 60612-3766  
Tel: 312.333.0551; Fax: 312.333.2386; e-mail address: STATinfo@STATAnalysis.com**Analytical Report for Microbiological Analysis - Fungal Spores in Air**Client: David W. Sloman  
Project ID: Werler Residence, Glencoe  
STAT Project No.: 20070238Date Time Received: 7/7/2020 1:45 PM  
Date Analyzed: 7/13/2020  
Analyzed By: DM  
QC By: AM

Client Sample No.	29966167				29966179				29966190				29966175			
Sample Description																
Date Sampled	7/7/2020				7/7/2020				7/7/2020				7/7/2020			
STAT Sample No.	20070238-005				20070238-006				20070238-007				20070238-008			
Volume (m <sup>3</sup> )	0.075				0.075				0.075				0.075			
	Total Count	Count m <sup>-3</sup>	DL	%	Total Count	Count m <sup>-3</sup>	DL	%	Total Count	Count m <sup>-3</sup>	DL	%	Total Count	Count m <sup>-3</sup>	DL	%
<b>Total Fungal Spores:</b>	1034	13.78	13	100	82	1,093	13	100	89	1,187	13	100	65	867	13	100
<i>Alternaria</i>									4	53		4.5				
<i>Ascospores</i>					2	27		2.4	8	107		9.0	3	40		4.6
<i>Aspergillus Penicillium</i>	1000	13.33		96.7	60	800		73.2	22	293		24.7	30	400		46.2
<i>Basidiospores</i>	7	93		0.7	4	53		4.9	7	93		7.9	7	93		10.8
<i>Borreria</i>																
<i>Cercospora</i>																
<i>Chaetomium</i>									2	27		2.2	2	27		3.1
<i>Cladosporium</i>	17	227		1.6	3	40		3.7	32	427		36.0	11	147		16.9
<i>Curvularia</i>																
<i>Drechslera Bipolaris</i>																
<i>Epicoccum</i>	1	13		0.1					2	27		2.2	1	13		1.5
<i>Fusarium</i>																
<i>Nigrospora</i>									3	40		3.4				
<i>Oidium Erysiphe</i>																
<i>Periconia</i>																
<i>Phoma</i>																
<i>Pythomyces</i>	1	13		0.1	2	27		2.4								
<i>Pleospora</i>																
<i>Polythrincium</i>																
<i>Rhizopus Mucor</i>																
<i>Rusts</i>																
<i>Smaria Myxomycetes</i>	8	107		0.8	11	147		13.4	9	120		10.1	10	133		15.4
<i>Stachybotrys</i>													1	13		1.5
<i>Stemphylium</i>																
<i>Torula</i>																
<i>Ulocladium</i>																
<i>Unidentified Fungi</i>																
<i>Other</i>																
<i>Mycelial Fragments</i>																
<i>Debris Level</i>	Moderate				Moderate				Moderate				Moderate			
<i>Organic Material</i>	Present				Present				Present				Present			

DL - Detection Limit = Spores m<sup>-3</sup>

SOP 6110

Unoccupied Private Residence  
468 Lakeside Terrace  
Glencoe, IL 60022  
DSH&SC Project # 20-07-CHUBB**Exhibit 3**

FILED DATE: 1/29/2021 4:34 PM 2021L001093

**STAT Analysis Corporation:**2242 West Harrison St., Suite 200, Chicago, Illinois 60612-3766  
Tel: 312.333.0551; Fax: 312.333.2386; e-mail address: STATinfo@STATAnalysis.com**Analytical Report for Microbiological Analysis - Fungal Spores in Air**Client: David W. Sloman  
Project ID: Werler Residence, Glencoe  
STAT Project No.: 20070238Date Time Received: 7/7/20 1:45 PM  
Date Analyzed: 7/13/2020  
Analyzed By: DM  
QC By: AM

Client Sample No.:	29966168	29966189		
Sample Description				
Date Sampled:	7/7/2020	7/7/2020		
STAT Sample No.	20070238-009	20070238-010		
Volume (m <sup>3</sup> )	0.075	0.075		
	Total Count	Count m <sup>3</sup>	DL	%
	Total Count	Count m <sup>3</sup>	DL	%
	Total Count	Count m <sup>3</sup>	DL	%
	Total Count	Count m <sup>3</sup>	DL	%
<b>Total Fungal Spores:</b>	33	440	13	100
	113	1,507	13	100
<i>Alternaria</i>	1	13		3.0
<i>Ascospores</i>	2	27		6.1
<i>Aspergillus Penicillium</i>	7	93		21.2
<i>Basidiospores</i>	8	107		24.2
<i>Borreria</i>				
<i>Cercospora</i>				
<i>Chaetomium</i>				
<i>Claosporium</i>	6	80		18.2
<i>Curvularia</i>				
<i>Drechslera Bipolaris</i>				
<i>Epicoccum</i>				
<i>Fusarium</i>				
<i>Nigrospora</i>				
<i>Oidium Erysiphe</i>				
<i>Periconia</i>	1	13		3.0
<i>Phoma</i>				
<i>Pythomyces</i>				
<i>Pleospora</i>				
<i>Polthrincium</i>				
<i>Rhizopus Mucor</i>				
<i>Rusts</i>				
<i>Smut Myxomycetes</i>	8	107		24.2
<i>Stachybotrys</i>				
<i>Stemphylium</i>				
<i>Torula</i>				
<i>Ulocladium</i>				
<i>Unidentified Fungi</i>				
<i>Other</i>				
Mycelial Fragments				
Debris Level	Moderate			
Organic Material	Present			

DL - Detection Limit = Spores/m<sup>3</sup>

SOP 6110

Unoccupied Private Residence  
468 Lakeside Terrace  
Glencoe, IL 60022  
DSH&SC Project # 20-07-CHUBB**Exhibit 3**

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**Surface Tape-Lift Results****STAT Analysis Corporation:**

2242 West Harrison St., Suite 200, Chicago, Illinois 60612-3766  
 Tel: 312.733.0551; Fax: 312.733.2386; e-mail address: STATInfo@STATAnalysis.com

**Analytical Report for Microbiological Analysis - Direct Examination**

Client: David W. Sloman  
 Project ID: Werler Residence, Glencoe  
 STAT Project No.: 20070238

Date Time Received: 7/7/20 1:45 PM  
 Date Analyzed: 7/13/2020  
 Analyzed By: DM

Client Sample No.:	1
Date Sampled:	7/7/2020
Matrix:	Tape
STAT Sample No.:	20070238-001
Relative Abundance:	
Identification:	Aspergillus/Penicillium Smuts/Myxomycetes
	High Moderate

Client Sample No.:	2
Date Sampled:	7/7/2020
Matrix:	Tape
STAT Sample No.:	20070238-002
Relative Abundance:	
Identification:	Smuts/Myxomycetes
	Low

Client Sample No.:	3
Date Sampled:	7/7/2020
Matrix:	Tape
STAT Sample No.:	20070238-003
Relative Abundance:	
Identification:	Smuts/Myxomycetes
	Low

Client Sample No.:	4
Date Sampled:	7/7/2020
Matrix:	Tape
STAT Sample No.:	20070238-004
Relative Abundance:	
Identification:	Smuts/Myxomycetes
	Low

High concentration: greater than 75% spore cover field of view  
 Moderate concentration: 25% to 75% spore cover field of view  
 Low concentration: less than 25% spore cover field of view

SOP 6210

Unoccupied Private Residence  
 468 Lakeside Terrace  
 Glencoe, IL 60022  
 DSH&SC Project # 20-07-CHUBB

**Exhibit 3**

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**STAT Analysis Corporation:**  
 2242 West Harrison St., Suite 200, Chicago, Illinois 60612-3766  
 Tel: 312.733.0551; Fax: 312.733.2386; e-mail address: STATinfo@STATAnalysis.com

### Analytical Report for Microbiological Analysis - Direct Examination

Client: David W. Sloman Date Time Received: 7/7/20 1:45 PM  
 Project ID: Werler Residence, Glencoe Date Analyzed: 7/13/2020  
 STAT Project No.: 20070238 Analyzed By: DM

Client Sample No.:	5
Date Sampled:	7/7/2020
Matrix:	Tape
STAT Sample No.:	20070238-005
Relative Abundance:	
Identification:	Smuts/Myxomycetes
	Low

Client Sample No.:	6
Date Sampled:	7/7/2020
Matrix:	Tape
STAT Sample No.:	20070238-006
Relative Abundance:	
Identification:	Smuts/Myxomycetes
	Low

Client Sample No.:	7
Date Sampled:	7/7/2020
Matrix:	Tape
STAT Sample No.:	20070238-007
Relative Abundance:	
Identification:	Alternaria
	Low
	Smuts/Myxomycetes
	Low

Client Sample No.:	8
Date Sampled:	7/7/2020
Matrix:	Tape
STAT Sample No.:	20070238-008
Relative Abundance:	
Identification:	Smuts/Myxomycetes
	Moderate

High concentration: greater than 75% spore cover field of view  
 Moderate concentration: 25% to 75% spore cover field of view  
 Low concentration: less than 25% spore cover field of view

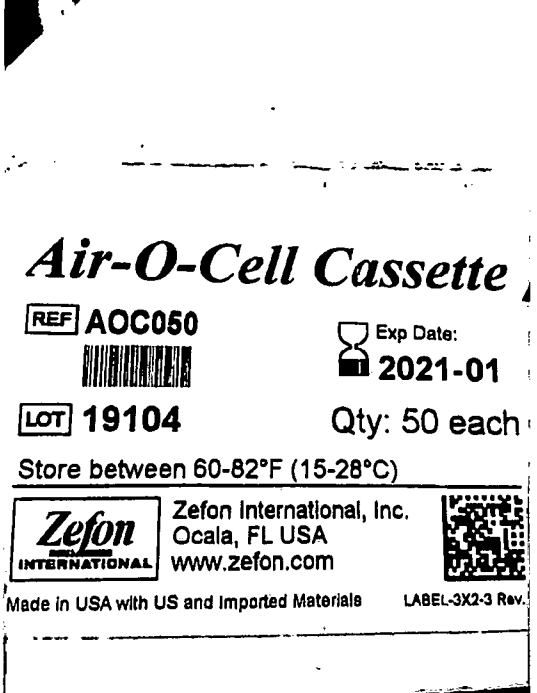
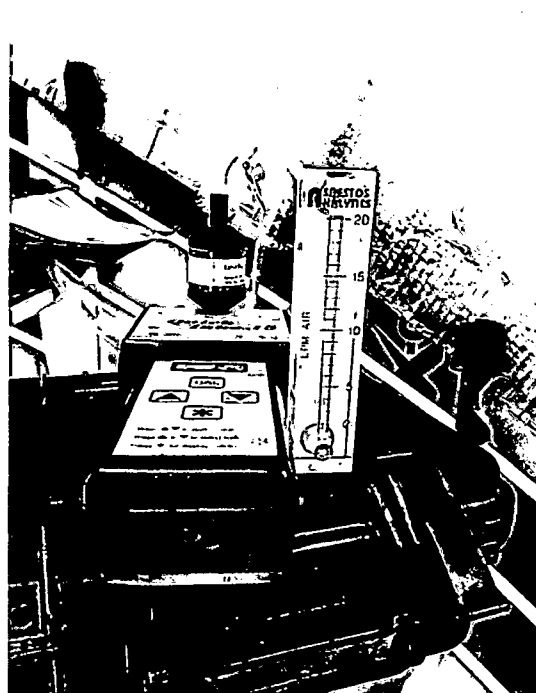
SOP 6210

Unoccupied Private Residence  
 468 Lakeside Terrace  
 Glencoe, IL 60022  
 DSH&SC Project # 20-07-CHUBB

Exhibit 3



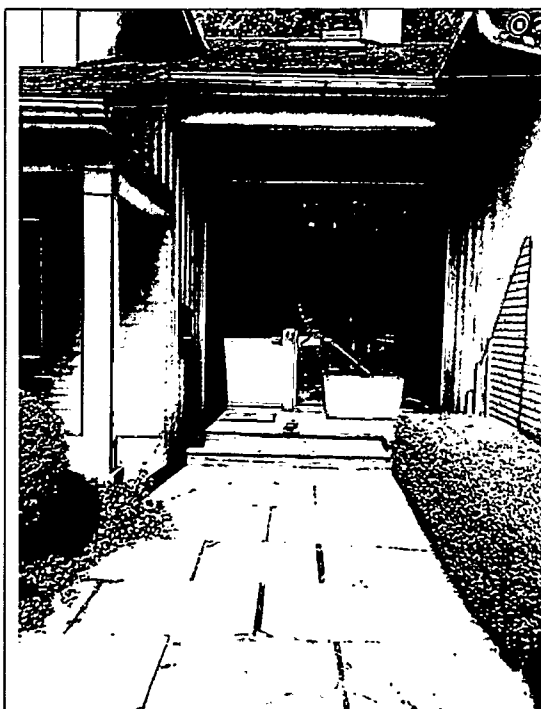
FILED DATE: 1/29/2021 4:34 PM 2021L001093

<b>APPENDIX 2</b> <b>PHOTOS</b> <b>Private Residence</b> <b>Glencoe, Illinois</b> <b>July 7, 2020</b>	
<b>Air Sample Photos</b>	
	
<p><i>View of Container with Air Sample cassettes used throughout investigation. Note expiration date and lot number</i></p>	<p><i>View of Sampling pump and calibration device in operation. Note rotameter indicating "15" liters per minute flow rate</i></p>

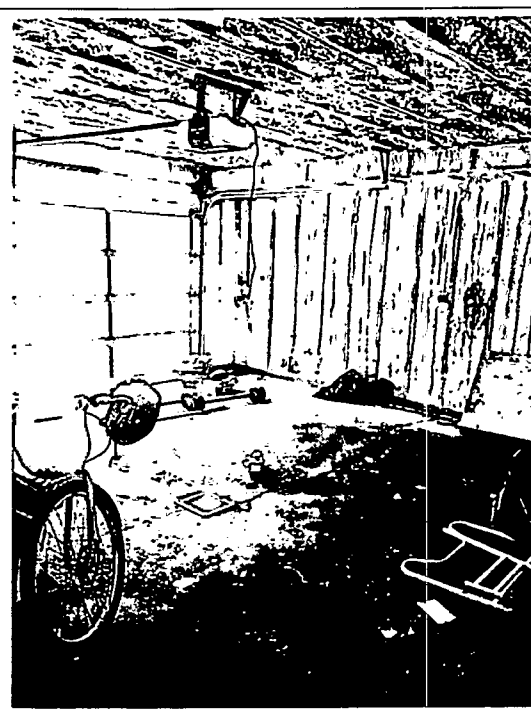
Unoccupied Private Residence  
 468 Lakeside Terrace  
 Glencoe, IL 60022  
 DSH&SC Project # 20-07-CHUBB

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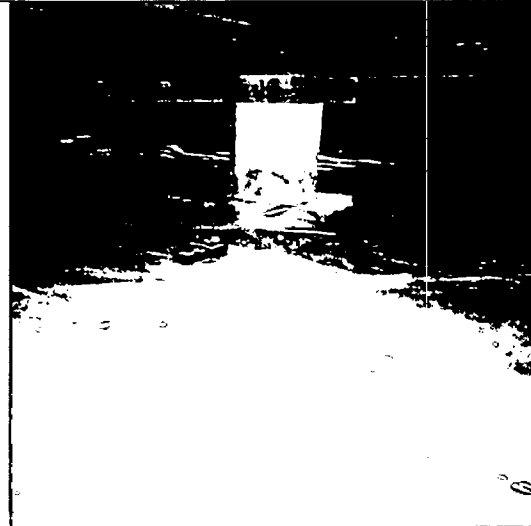
*View of Front Entryway to Subject Residence, location for Sample 29966173*



*View of Garage, location for Sample 29969141*



*View of Lower Level Utility Area, location for Sample 29966170 (note standing water)*



*View of Crawlspace, location for Sample 29966183*

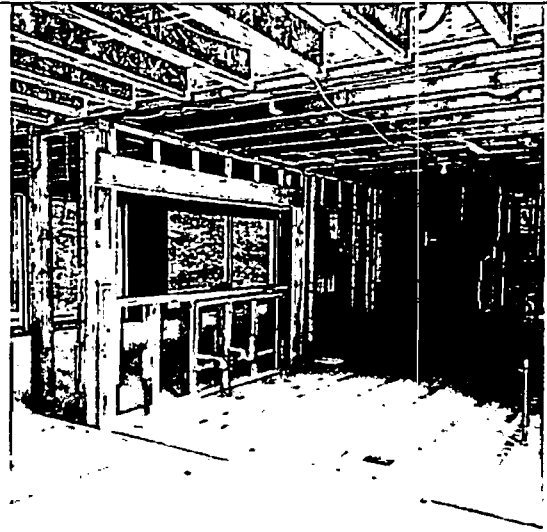
Unoccupied Private Residence  
468 Lakeside Terrace  
Glencoe, IL 60022  
DSH&SC Project # 20-07-CHUBB

**Exhibit 3**

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*View of Lower Level Fireplace Area,  
location for Sample 29966167*



*View of Main Level Kitchen Area, location  
for Sample 29966179*



*View of mid-level Bathroom, location for  
Sample 29966190*



*View of Upper Level Master Bedroom,  
location for Sample 29966175*

Unoccupied Private Residence  
468 Lakeside Terrace  
Glencoe, IL 60022  
DSH&SC Project # 20-07-CHUBB

FILED DATE: 1/29/2021 4:34 PM 2021L001093



*View of Additional Upper Bedroom (south),  
location for Sample 29966168*

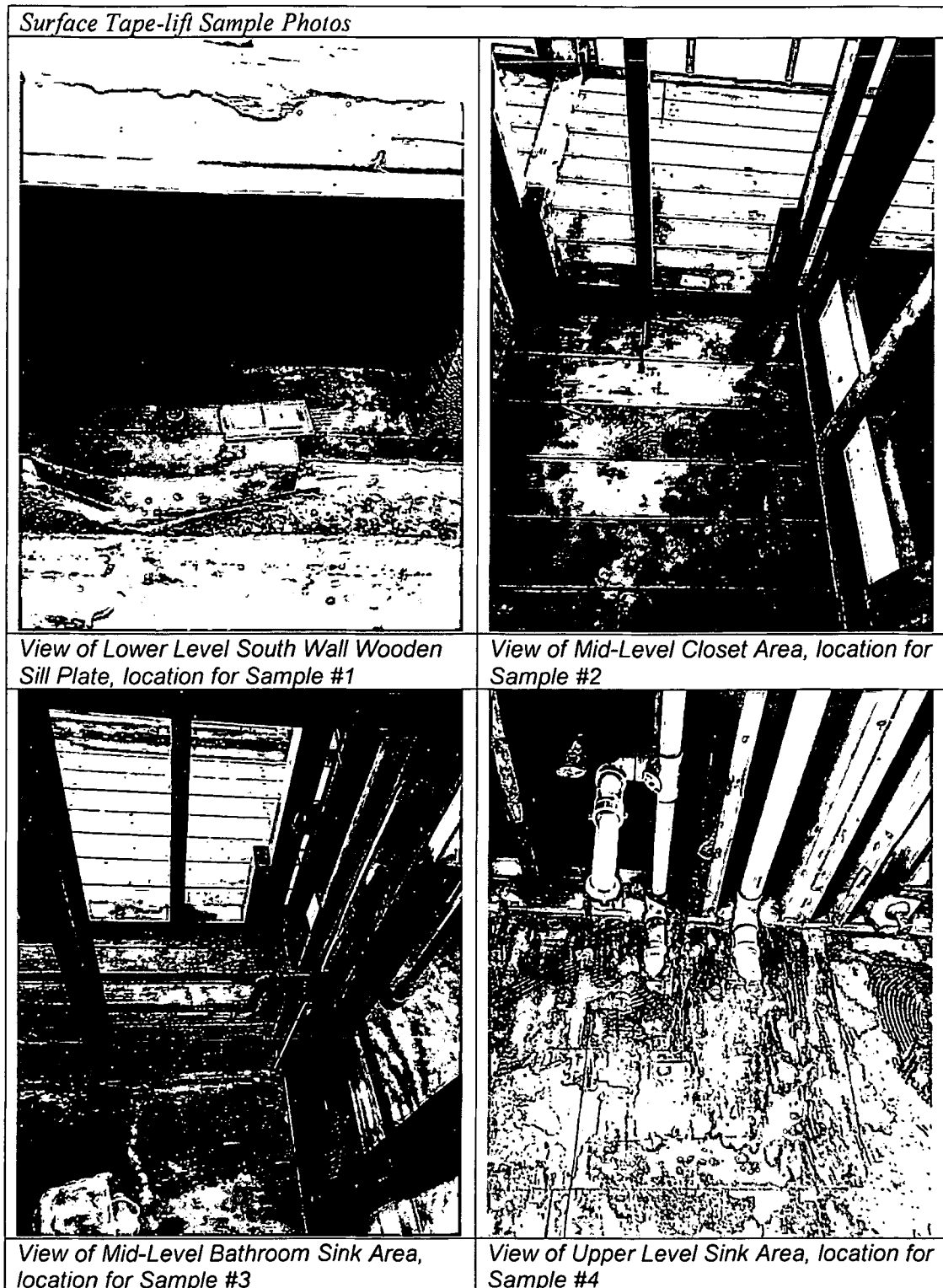


*View outside Subject Residence at rear,  
location for Sample 29966189*

Unoccupied Private Residence  
468 Lakeside Terrace  
Glencoe, IL 60022  
DSH&SC Project # 20-07-CHUBB

**Exhibit 3**

FILED DATE: 1/29/2021 4:34 PM 2021L001093



Unoccupied Private Residence  
468 Lakeside Terrace  
Glencoe, IL 60022  
DSH&SC Project # 20-07-CHUBB

**Exhibit 3**

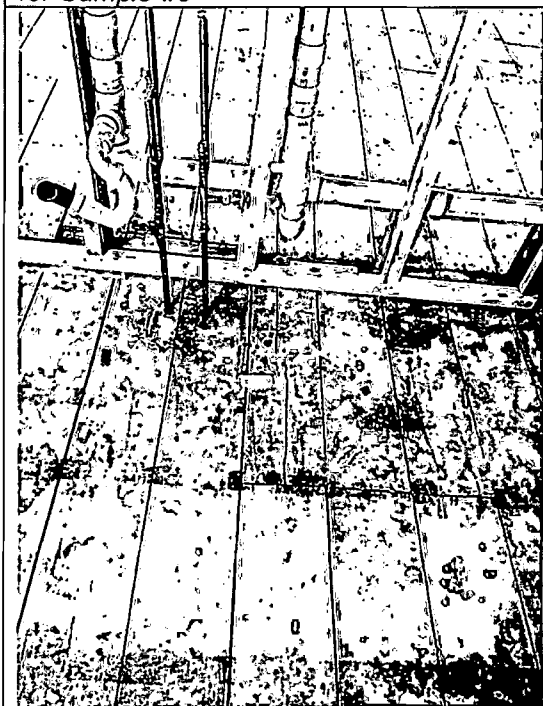
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*View of Upper Level Shower Area, location for Sample #5*



*View of Lower level North Wall Wooden Sill Plate, location for Sample #6*



*View of Main Level Kitchen Floor, location for Sample #7*



*View of Main Level Bathroom Floor, location for Sample #8*

Unoccupied Private Residence  
468 Lakeside Terrace  
Glencoe, IL 60022  
DSH&SC Project # 20-07-CHUBB

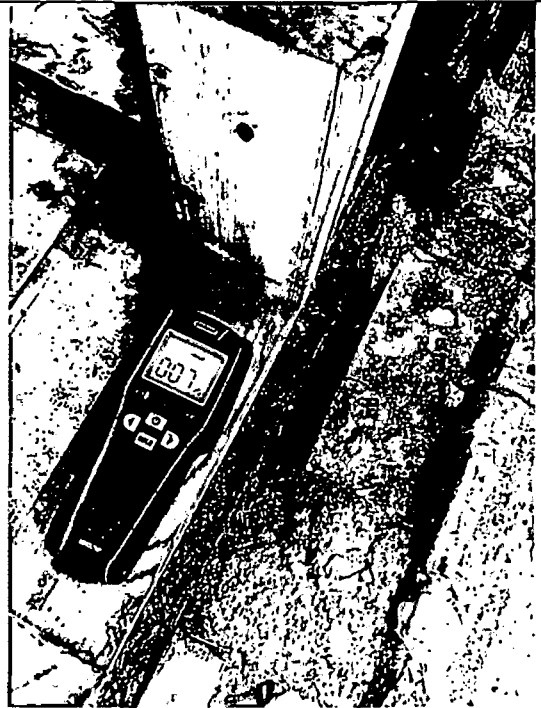


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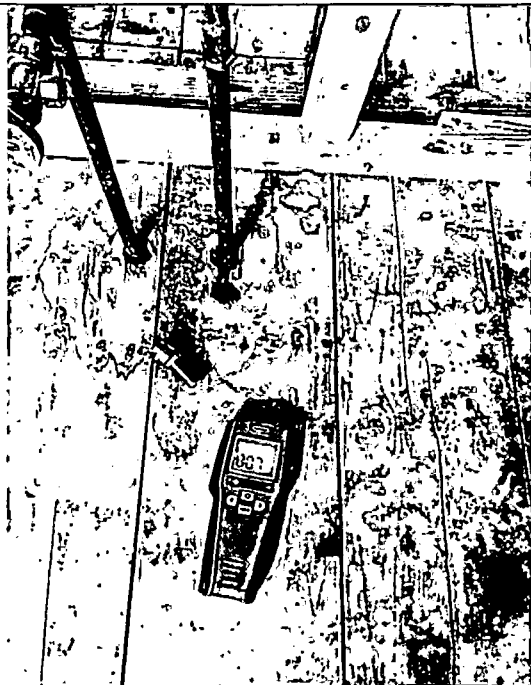
*Moisture Measurement Photos*



*Main Level Bathroom Floor*



*Ground Level Sill Plate*



*Kitchen Floor*

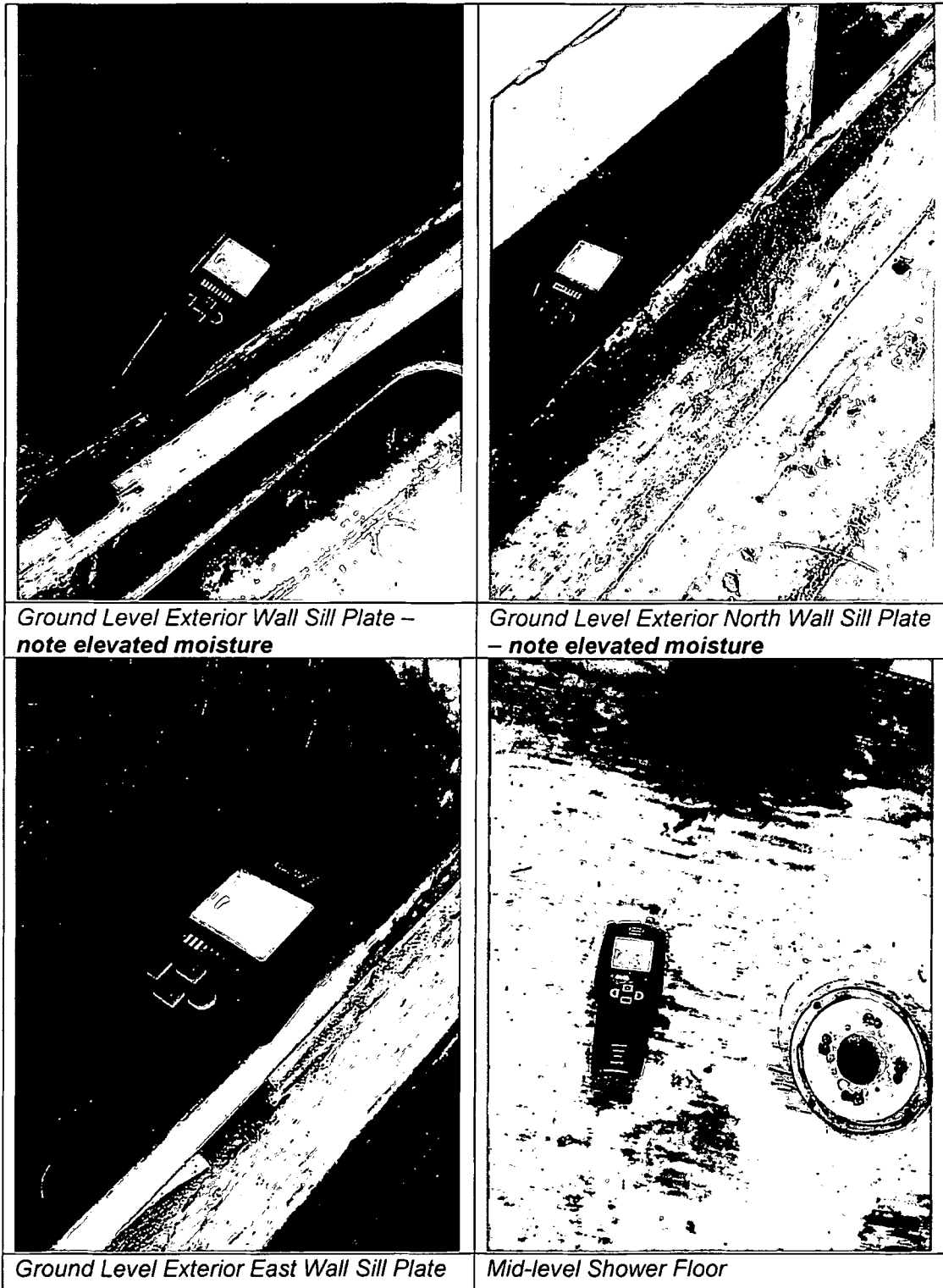


*Lower Level Common Wall with  
Crawlspace*

Unoccupied Private Residence  
468 Lakeside Terrace  
Glencoe, IL 60022  
DSH&SC Project # 20-07-CHUBB



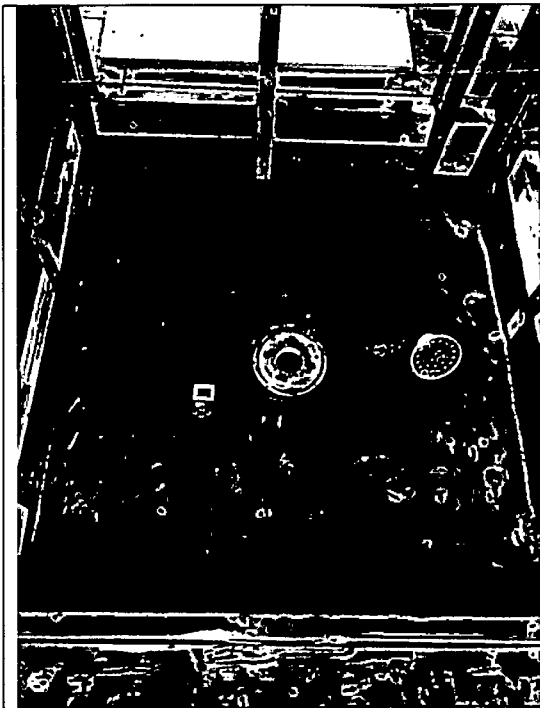
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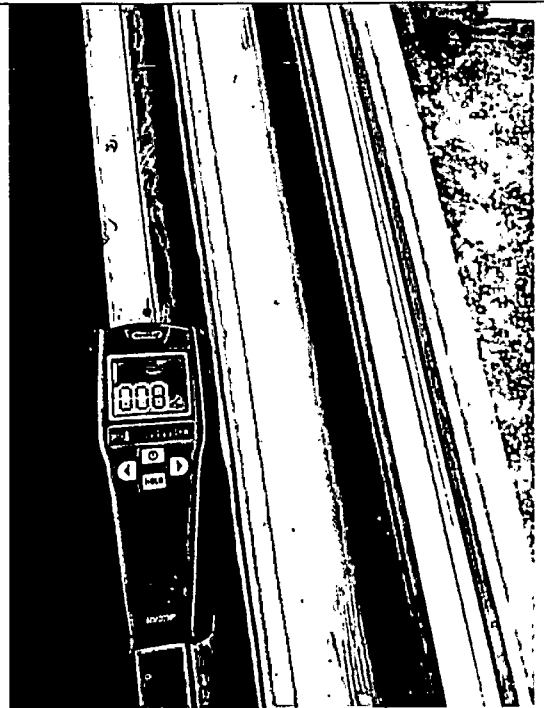
Unoccupied Private Residence  
468 Lakeside Terrace  
Glencoe, IL 60022  
DSH&SC Project # 20-07-CHUBB

**Exhibit 3**

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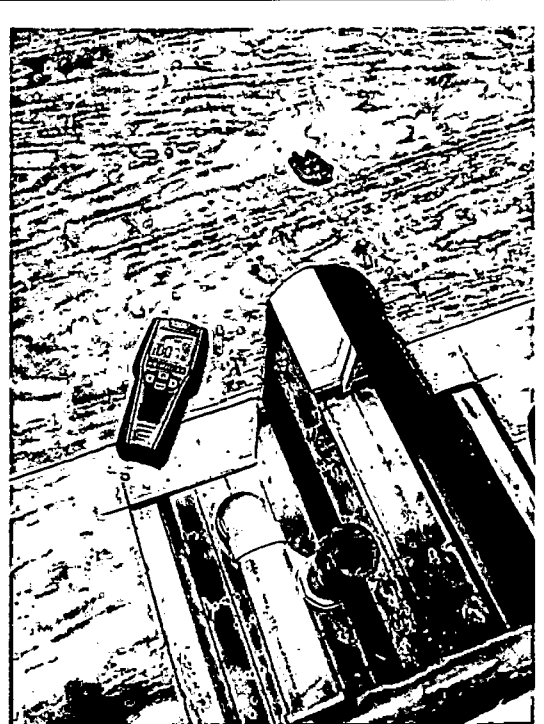
*Mid-level Toilet Area Floor*



*Mid-level West Window Sill*



*Upper Level Bathroom Floor*



*Upper Level Jacuzzi Area*

Unoccupied Private Residence  
468 Lakeside Terrace  
Glencoe, IL 60022  
DSH&SC Project # 20-07-CHUBB

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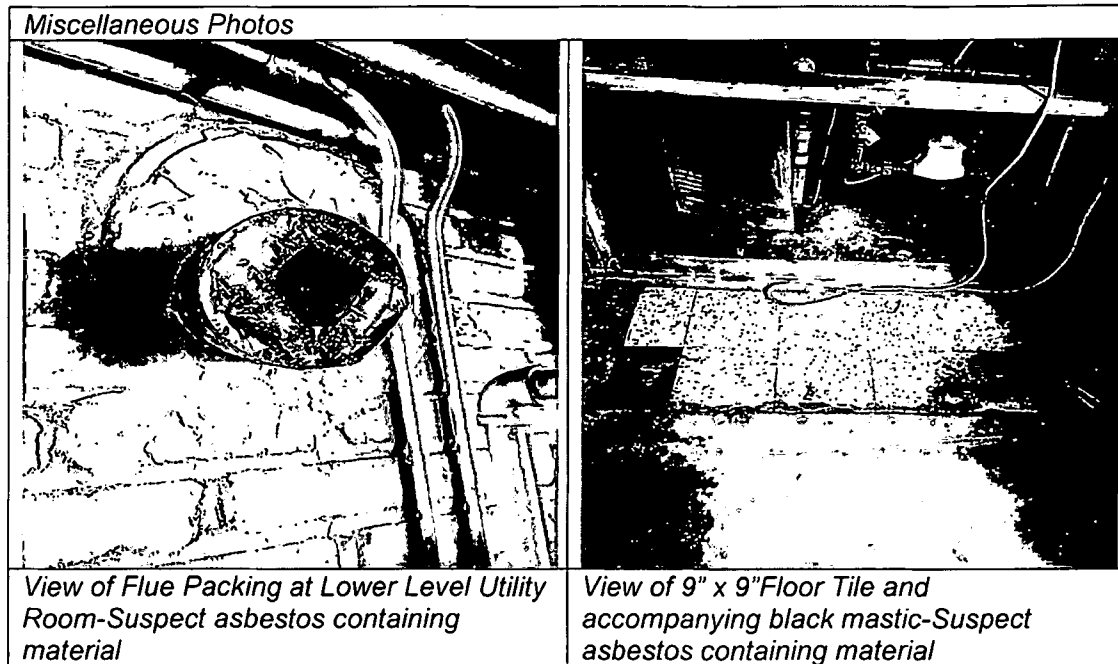
Lower Level Utility Room West Wall

*Intentionally blank*

Unoccupied Private Residence  
468 Lakeside Terrace  
Glencoe, IL 60022  
DSH&SC Project # 20-07-CHUBB

**Exhibit 3**

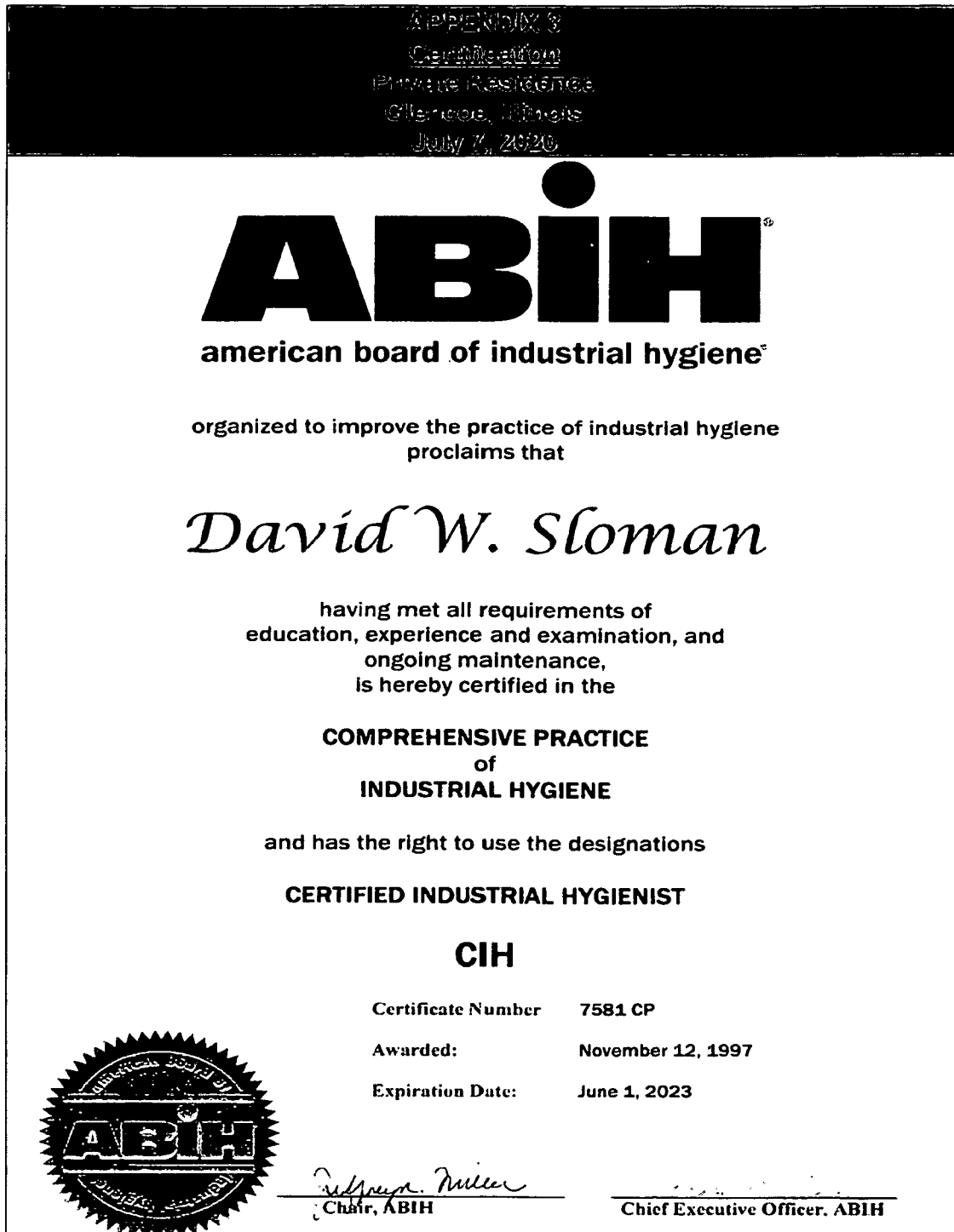
FILED DATE: 1/29/2021 4:34 PM 2021L001093



Unoccupied Private Residence  
468 Lakeside Terrace  
Glencoe, IL 60022  
DSH&SC Project # 20-07-CHUBB

**Exhibit 3**

FILED DATE: 1/29/2021 4:34 PM 2021L001093



Unoccupied Private Residence  
468 Lakeside Terrace  
Glencoe, IL 60022  
DSH&SC Project # 20-07-CHUBB

Exhibit 3

Return Date: No return date scheduled  
 Hearing Date: No hearing scheduled  
 Courtroom Number: No hearing scheduled  
 Location: No hearing scheduled

CHUBB  
 PO Box 42065  
 Phoenix, AZ 85080

M: 704-449-1769  
 E: Mail, Robert.paradis@chubb.com  
 1/29/2021 4:34 PM  
 IRIS Y. MARTINEZ  
 CIRCUIT CLERK  
 COOK COUNTY, IL  
 2021L001093

**CHUBB®**

September 24, 2020

12033524

**VIA EMAIL and U.S. MAIL**

Kenneth A. & Amy Wexler  
 c/o Nicole Fondrie  
 55 West Monroe St., Suite 3300  
 Chicago, IL 60603

Re:	Insured:	Kenneth A. & Amy Wexler
	Policy Number:	1146897609
	Claim Number:	047519003926
	Date of Loss:	1/31/2019
	Writing Company:	Chubb National Insurance Company
	Loss Location:	468 Lakeside Terrace, Glencoe, IL 60022

Dear Mr. & Mrs. Wexler:

On behalf of Chubb National Insurance Company ("Chubb"), this will supplement our letter dated May 13, 2020 concerning the Dwelling proof of loss dated April 23, 2020 in the amount of \$3,302,466.50 ("proof"). For the reasons set forth herein, we reject the proof.

Since receiving the proof, Chubb assembled a team of consultants from DBI Construction Consultants ("DBI") to investigate the scope and cost to restore your home to its pre-loss condition. DBI's investigation report dated August 25, 2020 has been provided to your attorney.

After careful consideration of the information provided, pertinent policy provisions, and applicable law, Chubb must respectfully deny a portion of coverage under the Policy for the dwelling loss. Based on our review, the amounts claimed in the proof include work unrelated to the repair of property damaged by the water loss event. These amounts include pre-existing defects, code related upgrades, elective upgrades, differences in quality and mark-ups. It should be noted, the code upgrades are not required by the Village of Glencoe.

Based on DBI's report, Chubb determined that actual cash value of the loss exclusive of mold remediation (for which Chubb already exhausted it's \$10,000 sublimit) is \$638,202. Chubb calculated that the balance due on the dwelling portion of your claim is \$563,202.00:

- \* Estimate Total = \$740,928.00
- \* Less Depreciation - \$83,057.00
- \* Less Mold Remediation-\$19,669.00
- \* Less Prior Advance Payment Issued on 03/26/19 - \$50,000

**Exhibit 4**

\* Less Prior Advance Payment Issued on 08/05/19 - \$25,000

Total Actual Cash Value Payment = \$563,202.00. A check for this amount was issued on September 19, 2020.

The payment basis under your policy is Extended Replacement Cost. If you have a covered partial loss to your house and do not begin to repair, replace, or rebuild the lost or damaged property within 180 days from the date of loss or a later date agreed to by us, we will only pay the reconstruction cost, less depreciation.

DBI also evaluated the amounts claimed in your proof and the related estimates that purport to support those amounts. DBI's analysis is attached here for your convenience. For the reasons set forth in DBI's report and is further explained below, Chubb rejects the proof and is unable to pay any additional monies under your Policy coverage.

### **Relevant Policy Provisions**

\* \* \*

### **Mold Remediation Expenses**

We provide coverage for mold remediation expenses you incur, made necessary by a covered water damage loss, other than loss resulting from fire or lightning, to your house, shown in the Coverage Summary, or its other permanent structures, or by a covered water damage loss to your contents anywhere in the world if contents coverage is shown in the Coverage Summary for this location. For an occurrence, the maximum amount of coverage for mold remediation expenses is \$10,000, plus any additional amount of coverage shown in the Coverage Summary for mold remediation expenses at this location. These payments do not increase the amount of coverage for your house, other permanent structures, or contents.

"Mold remediation" means the reasonable and necessary costs not otherwise covered for:

- testing the indoor air quality of your house or other permanent structure for mold;
- testing the surfaces and materials of your house, other permanent structure or contents for mold;
- developing a mold remediation plan; and
- implementing that mold remediation plan including the clean-up, removal, containment, treatment, or disposal of mold.

"Mold remediation" also means the reasonable and necessary costs, including the increased cost, not otherwise covered for:

- removing debris solely due to mold; and



- repairing or replacing covered property damaged or removed solely due to mold.

We also provide coverage for temporary relocation expenses you incur, made necessary by mold remediation. For each occurrence, we will pay up to 20% of the total amount of mold remediation expense coverage. There is no deductible for temporary relocation expenses.

"Temporary relocation expenses" means:

- the reasonable increase in your normal living expenses that is necessary to maintain your household's usual standard of living for the reasonable amount of time required to complete mold remediation; and
- the fair rental value of that part of your house rented or held for rental, for the reasonable amount of time required to complete mold remediation, during the period of time it is usually rented.

"Contents" means personal property you or a family member owns or possesses covered by us.

"Mold" means fungi, mold, mold spores, mycotoxins, and the scents and other byproducts of any of these.

We will not make any additional payments for mold remediation expenses or temporary relocation expenses under any other Extra Coverage.

The amount of coverage for mold remediation expenses and temporary relocation expenses for your house is the most we will pay for the sum of all mold remediation expenses and temporary relocation expenses, regardless of the number of covered water damage losses that occur during the policy period.

The following provision for Rebuilding to Code explains that we cover the necessary cost of conforming to any law or ordinance, but we do not cover the costs associated with elective upgrades or the increased cost of using better materials.

### **Rebuilding to Code**

After a covered loss to covered property, we cover the necessary cost of conforming to any law or ordinance that requires or regulates:

- the repair, replacement, or rebuilding of the damaged portion of your house or other permanent structure made necessary by the covered loss;
- the demolition, replacement, or rebuilding of the undamaged portion of your house or other permanent structure necessary to complete the repair, replacement, or rebuilding of the damaged portion of your house or other permanent structure; or

- the demolition of the undamaged portion of your house or other permanent structure when your house or other permanent structure must be totally demolished.

However, we will not pay the cost you incur to conform to any law or ordinance that is not a direct result of the covered loss.

This coverage does not apply unless you repair, replace, or rebuild your house or other permanent structure at the same location.

Lastly, per the Exclusions listed below, we are unable to pay for pre-existing defects.

### **Exclusions**

These exclusions apply to your Deluxe House Coverage, including the Extra Coverages, unless stated otherwise.

The words "caused by" mean any loss that is contributed to, made worse by, or in any way results from that peril.

**Fungi and mold.** We do not provide coverage for the presence of mold, however caused, or any loss caused by mold, other than as provided under the Extra Coverage, Mold remediation expenses. But we do cover mold resulting from fire or lightning unless another exclusion applies. "Mold" means fungi, mold, mold spores, mycotoxins, and the scents and other byproducts of any of these.

\* \* \*

**Neglect.** We do not cover any loss caused by your failure to use all reasonable means to protect property before, at, or after the time of loss.

\* \* \*

**Faulty planning, construction or maintenance.** We do not cover any loss caused by the faulty acts, errors or omissions of you or any other person in planning, construction or maintenance. It does not matter whether the faulty acts, errors or omissions take place on or off the insured property. But we do insure ensuing covered loss unless another exclusion applies. "Planning" includes zoning, placing, surveying, designing, compacting, setting specifications, developing property and establishing building codes or construction standards. "Construction" includes materials, workmanship, and parts or equipment used for construction or repair.

### **Property Conditions**

These conditions apply to all coverages for damage to property and all coverages for damage to vehicles in this policy.

### **Coverage Discussion**

FILED DATE: 1/29/2021 4:34 PM 2021L001093

We first would like to draw your attention to the **Mold Remediation Expenses** provision above. At this time, we want to remind you that your \$10,000.00 limit of Policy coverage for **Mold Remediation Expense**, has already been exhausted by payment. As noted, Chubb confirmed the covered cost of repairs as outlined in DBI's estimate/report and the damages associated with mold-related work are limited to \$10,000.00.

Additionally, please take note that your Policy contains **Exclusions** on pages B-11 to B-14, which apply to the reported damages including: **Faulty planning, construction or maintenance**. The attached report from DBI identifies numerous items that fall within this exclusion. (See, p.4 of 7, No.'s 7-10). As noted by DBI your proof and related estimates include costs to correct construction defects that pre-existed the insured event and are not necessary to repair the water damage. In addition to having no relationship to the insured event, these costs are all excluded.

In addition, your proof and related estimates includes "elective upgrades" and upgrades in quality. (See, DBI Report, p.3 No.'s 2-6; p. 4 No.'s 11-15, p. 6 No. 16 and p. 7). The Policy does not cover work that is unnecessary to restore your property to its pre-loss condition or that provides a higher level of quality and finishes than existed at the time of the loss.

Finally, your proof and related estimates includes purported "code" upgrade work that is not required by the Village of Glencoe. (See, DBI Report, p. 4, Item No. 13, p. 7 Item 11). The Policy only covers Rebuilding to Code where it is necessary not elective. Moreover, even if required, the coverage only applies when the code required work is not actually performed.

#### **Continued Reservation of Rights**

Please understand that this letter is not intended to waive any of the rights or defenses of Chubb, which it may now have and which may hereafter accrue to it by reasons of the terms and conditions of the above captioned Policy of insurance, or otherwise, and that all of the said rights and defenses are specifically reserved to it.

For the reasons set forth above, Chubb must deny coverage for a portion of your claim under the Policy. Chubb bases its position on the applicable Policy language, conditions, terms, and exclusions as set forth in the Policy. In citing certain provisions of the Policy, Chubb is not waiving its rights to other coverage defenses under the Policy or at law. Rather, Chubb specifically reserves its right to assert and rely upon any defenses to coverage which may be available under the terms and conditions of the Policy, even if they are not mentioned or discussed herein.

Chubb's conclusion regarding coverage is based on its review of the materials it has received to date. If you believe Chubb should consider additional pertinent information or documents, we invite you to submit them at your earliest convenience. Chubb continues to reserve each of its rights, and requires strict compliance with each of the conditions and obligations set forth in the Policy.

FILED DATE: 1/29/2021 4:34 PM 2021L001093

Part 919 of the Rules of the Illinois Department of Insurance requires that our company advise you that if you wish to take this matter up with the Illinois Department of Insurance, it maintains a Consumer Division in Chicago at 122 S. Michigan Avenue, 19th Floor, Chicago, Illinois 60603 and in Springfield at 320 West Washington Street, Springfield, Illinois 62767 or call (866) 445-5364.

Should you have any questions or concerns, please call 704-449-1769 or E-Mail me at [Robert.paradis@chubb.com](mailto:Robert.paradis@chubb.com) anytime during the claim process.

Sincerely,

Bob Paradis  
Sr. General Adjuster  
Chubb Group of Insurance Companies  
P.O. Box 4700, Chesapeake, VA 23320-4700

cc: AON Private Risk Management Insurance Agency, Inc.  
13901 Sutton Park, S, C360  
Jacksonville, FL 32224

Return Date: No return date scheduled  
Hearing Date: No hearing scheduled  
Courtroom Number: No hearing scheduled  
Location: No hearing scheduled



# WORK AUTHORIZATION

FILED  
1/29/2021 4:34 PM

IRIS Y. MARTINEZ  
CIRCUIT CLERK  
COOK COUNTY, IL  
2021L001093

## PROPERTY RESTORATION

The undersigned (insured), Amy Wexler

12033524

468 Lakeside Terrace Glenview 60022  
Address City State Zip

represents that he/she/they are owners of/or agent for the hereinafter specified property (and/or its contents) and hereby authorize and direct Belfor USA Group, Inc. ("Contractor") to provide all labor, equipment and materials required to properly repair the specified real property, contents or structure commonly known as:

11 11  
Address City State Zip

It is understood and agreed that Contractor will perform all repair work in a good and workmanlike manner in accordance with our General Conditions, will have a policy of insurance in full force, will comply with local safety standards and will perform all work according to local building codes. A one-year workmanship warranty will be presented upon full payment for the work performed. The undersigned hereby transfers, assigns and conveys to Contractor his/her/their right, title and interest in and to the insurance policy proceeds and all drafts for work performed or to be performed by Contractor. Accordingly, undersigned authorizes and directs their insurer (named below) to make "Belfor USA" a payee on all insurance drafts for all insurance work performed by Contractor on the above damaged property. The undersigned also agrees to immediately endorse and tender all drafts as produced to the Contractor.

All insurance work performed by the Contractor is subject to the terms of the insured policy of insurance which sets the scope and price of the work based upon industry standards. All uninsured code-upgrade work, depreciation and insurance deductibles are the responsibility of the undersigned or Owner. The undersigned has the right to cancel this Work Authorization prior to the midnight of the 3rd business day of signing this agreement by writing and delivering a written cancellation request to Contractor by such time. The undersigned also agrees to and understands the General Conditions stated below.

Date: 2-7-19

\$ TBD w/ Insurance 1 1  
Amount (if known) DATE

[Signature]  
BELFOR REPRESENTATIVE

Amy Wexler  
INSURED-OWNER-AUTHORIZED REPRESENTATIVE

INSURED-OWNER-AUTHORIZED REPRESENTATIVE

INSURANCE COMPANY

POLICY NUMBER

### General Conditions

Owner agrees to allow timely inspections by municipal inspectors and/or mortgage company agents and to assist with obtaining any third party payee signatures on all insurance drafts so that Belfor can be timely paid. If for any reason your claim is denied by your insurance carrier or they refuse to pay the costs of any and/or all insurance work performed by Contractor, or you otherwise delay or prevent the payment of said insurance draft, or use it for other purposes, then the insured/owner(s) of the above mentioned property will be personally liable for all costs of services performed. The Contractor and undersigned acknowledge and agree that the Contractor shall have no liability for, and shall be indemnified and held harmless from and against, all claims, damages, liabilities and costs arising out of or relating to the presence, discovery, or failure to discover, remove, address, remediate or cleanup environmental or biological hazards including, but not limited to, mold, fungus, hazardous waste, substances or materials, or asbestos unless covered by the insured's policy of insurance, remediation is part of the scope of work and such work is directed by an Industrial Hygienists protocol and clearance testing. If for any reason the amount due under this Work Authorization is not paid when due, the Contractor shall be entitled to its expenses and attorneys fees incurred in the collection of this agreement with interest on the unpaid balance at the rate of 1.5% per month or the rate prescribed by law. The undersigned permits Contractor to obtain a personal credit report to ensure that the insurance proceeds for this project are not in jeopardy. Any controversy or claim arising out of or relating to this agreement, or breach thereof, may be submitted to a court of competent jurisdiction. Contractor is in good standing with the Better Business Bureau. Contractor reserves their right to terminate this contract should the client breach any of its terms, conditions or the assurance of payment.

REV. 4/05

### Notice of Cancellation

2-7-19  
Date of Transaction

You may cancel this transaction, without penalty or obligation, within three business days from the above date (the date the Work Authorization was signed).

If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within 10 business days following the receipt by Belfor of your signed cancellation notice, and any security interest arising out of the transaction will be canceled.

If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this agreement or sale; or you may if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If required by applicable law, if a buyer's return of goods is impractical or inequitable, buyer in order to rescind this agreement must tender its reasonable value.

If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation. If you fail to make the goods available to the seller or if you agree to return the goods to the seller and fail to do so, then you remain liable for performance of all obligations under the contract.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice, or send a telegram to BELFOR at 185 Oakland Avenue, Suite 300, Birmingham Michigan 48009 not later than midnight of

\_\_\_\_\_  
Date

I hereby cancel this transaction.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Buyer

### Emergency Work

The undersigned hereby authorizes Belfor without delay to effect repairs on an Emergency Basis. As this is a repair on real property, we waive our right to cancel this transaction within 3 business days.

X \_\_\_\_\_  
Buyer

*Amy Wexler*

**Exhibit 5**

rev. 4/05